



Comprehensive Annual Financial Report

For the Year Ending December 31, 2012

City of Camas, Washington



Comprehensive Annual Financial Report

For the year ended December 31, 2012

Prepared by the Finance Department
Joan M. Durgin
Finance Director

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**CITY OF CAMAS, WASHINGTON
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 Year ended December 31, 2012**

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Introductory Section

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June 25, 2013

To the Honorable Scott Higgins, Mayor
Members of the City Council
Citizens of the City of Camas:

State law requires only cities with populations of 25,000 or more to publish financial statements in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by the Washington State Auditor's Office under the *Revised Code of Washington* (RCW) 43.09.020. Cities less than 25,000, such as City of Camas are only required to prepare schedules within five months of year end. The City of Camas has chosen to issue a financial report in conformity with GAAP, so herein is the comprehensive annual financial report (CAFR) of the City of Camas for the fiscal year ended December 31, 2012.

The report consists of management's representations concerning the finance of the City of Camas (City). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

The City of Camas' financial statements have been audited by the Washington State Auditor's Office. The goal of the independent audit was to provide reasonable assurance that the financial statements for the fiscal year ended December 31, 2012, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion on the City of Camas' financial statements for the fiscal year ended December 31, 2012, and they are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

State mandate requires the Washington State Auditor's Office to perform additional tests of compliance with state laws and regulations as required by *Revised Code of*

Washington (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the City complied with the laws and the *Constitution of the State of Washington*, its own ordinances and resolutions, and the requirements of the State Auditor's Office. The State Auditor's Office issues an Accountability Report on compliance that is also available upon request.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Camas was incorporated June 2, 1906. The City is located in southwestern Washington in the Portland, Oregon metropolitan area and just a few minutes from the Portland International Airport. The City of Camas Cascade Business Park has been particularly attractive to high technology industries looking for available space in an area that has utilities, roads, and other services readily available. The City of Camas has successfully attracted high-profile industrial clients because of its long-term commitment to the planning and development of this high technology industrial area. The City serves over 20,000 citizens and occupies a land area of 14.5 square miles.

The City operates as a non-charter code city. The City is served by a mayor and city administrator. The city council is presided over by the mayor who is elected every four years. The seven council members are elected every four years by ward. Among its primary duties, the city council makes laws, sets policies, adopts budgets, and oversees a wide-ranging agenda for the community. The city administrator is appointed by the mayor and approved by a majority of the city council. This official heads the administrative branch of city government and directs all city operations, projects and programs.

The City of Camas provides a full range of services, including the City's vital infrastructure and urban services. It builds and repairs roads, maintains water and sewer services, provides fire and police protection, administers land use policy and takes an active role in Camas' commercial and industrial development. The City designs and maintains Camas' many parks and open spaces, coordinates recreation activities, fosters neighborhood livability and works to preserve the City's historic legacy.

Cities and counties of the State of Washington must comply with the Budgeting, Accounting, and Reporting System (BARS) prescribed by the Office of the State Auditor as authorized under RCW 43.09.200 and RCW 43.09.230. State law also provides for annual independent audits by the Washington State Auditor's Office and requires timely submission of annual financial reports to the state for review. The financial system of the City incorporates a system of financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. Consequently they are designed to provide reasonable assurance that transactions are executed in accordance with management authorization, recorded in conformity with GAAP, that

accountability of control over assets and obligations exists, and that sufficient reporting and review exists to provide adequate information for analysis and comparability of data. Internal control is an area of audit by the State Auditor as well, and City management receives and takes action upon recommendations made by the state.

The City of Camas prepares budgets in accordance with RCW 35A.33. As background to the process, the City prepares a multi-year financial forecast of general operations. Annual budgets are adopted by the city council for funds providing customary government services. Appropriations for general, special revenue, and debt service funds lapse at year-end. Appropriations for capital project funds are budgeted for each project and may carry forward from year-to-year until fully expended or the project is complete. An increase or decrease in total budgeted appropriations of a fund must be authorized by the city council. Transfers of appropriations within a fund may be authorized by the mayor. All budgets are accounted for on a line-item basis with control at the department summary total level. Estimated purchase order amounts are encumbered prior to the release of the order to the vendor. Such encumbrances also serve to provide budgetary control. Open encumbrances lapse at year-end and must be reappropriated or absorbed in the next year's operating budget.

Local economy

The economic climate has seemed to improve in Camas the last year. Sales of existing homes have increased, however the number of foreclosures has also increased. Unemployment numbers in the county are significantly lower than their high of 14.4% several years ago. The latest unemployment estimate in March was 10%.

Effects from the recession have lowered assessed values in our community almost 20% in the last four years. This has dropped our property tax revenues significantly, however for 2012 taxes the reduction of assessed value was very minor, less than 1%. Due to the reduction in property taxes and other effects from the recession, the city's general fund has had no growth in revenues in the last three years, however we have also curtailed and limited spending without a reduction in personnel. The city believes a financial recovery will occur and the 2013 budget reflects this belief, though \$834,500 of fund balance was still budgeted to balance the general fund budget.

After several years of very low residential building activity, the city has had an increase in applications for building permits in early 2013. Residential developers have been meeting with the city's community development department discussing their future building plans this summer.

Even with the recent recession a commercial investor, Fisher Investments, is planning to build another five-story office building on their 150 acre campus-style tract in Camas. They have indicated this could be their world headquarters in the near future and employ up to 1,000 people. Currently their employment is over 400 employees.

Long-term financial planning

The city maintains a 20 year Capital Facilities Plan, which is updated every two years. The plan identifies and schedules capital projects with the anticipated funding source, such as grants, impact fees, system development charges and issuance of long-term debt if necessary. The Capital Facilities Plan projects are then incorporated into the city's annual budget process. This plan is beneficial in planning all the city's capital facilities as well as all capital projects.

Relevant Financial Policies

The city's updated financial policies include an expectation to maintain fund balance of at least 17% of the General Fund budgeted expenditures. The city council has clearly indicated that this is an achievement that they want met each year and management ensures that it is met. With the city's financial constraints the past few years, some program service levels have been reduced in the recreation area, but most other levels of service areas were maintained with the approach of "doing more with less". Management is pleased to report that the fund balance at December 31, 2012 is at 23% of General Fund budgeted expenditures, well above the 17% goal.

Major Initiatives

In the most northwestern part of the city, expansion of NW Friberg/Strunk Road is one of the future construction projects planned in the next year. The city has received federal grant funding of \$450,000 for preliminary engineering, a state grant for \$2,955,000 for construction costs and two state loans for a total of \$1,800,000. In addition, \$310,000 will be allocated from the city's resources to finance this project. This road primarily serves a high school campus and a light industrial business park area in the city.

On the west city limit boundaries another street construction project is planned which will extend NW 38th Ave from Armstrong east to Parker Street. In addition to completing the design of this street, right-of-way will need to be purchased before construction commences in 2014. Benefiting from the award of a federal grant and a state grant for a total of \$2,820,000, a low interest loan of \$1,100,000 from the state, and local monies from the city's storm water utility will finance most of this \$4,600,000 project.

The city has several significant water utility projects planned to commence in 2013. The first project is construction of a 2 million gallon reservoir for an estimated cost of \$2,400,000, \$2,040,000 of which will be financed with a low interest loan. The second project currently being designed is to construct a pressure zone surface water supply transmission line. The city has another low interest rate loan of \$7,920,792 for this \$8,000,000 project.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) offers an award program, the Certificate of Achievement for Excellence in Financial

Reporting. The City of Camas has received this award for twenty-three consecutive years with the last award for the year ended December 31, 2009. In order to be awarded a Certificate of Achievement, the city must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for a certificate for this current report.

The preparation of this comprehensive annual financial report is a joint effort of all the staff of the Finance Department and Teresa Johnson, CPA. I would like to express special thanks to retired Finance Director, Joan Durgin and Accounting Manager Pam O'Brien for all their efforts and contributions in completing this report.

The advice and professionalism from the State Auditor's Office are also greatly appreciated. Without their timely audit and opinion, obtaining the Certificate of Achievement would not be possible.

I would also like to express my thanks to the mayor and council for their support and interest in the financial operations and stability of the City.

Respectfully submitted,

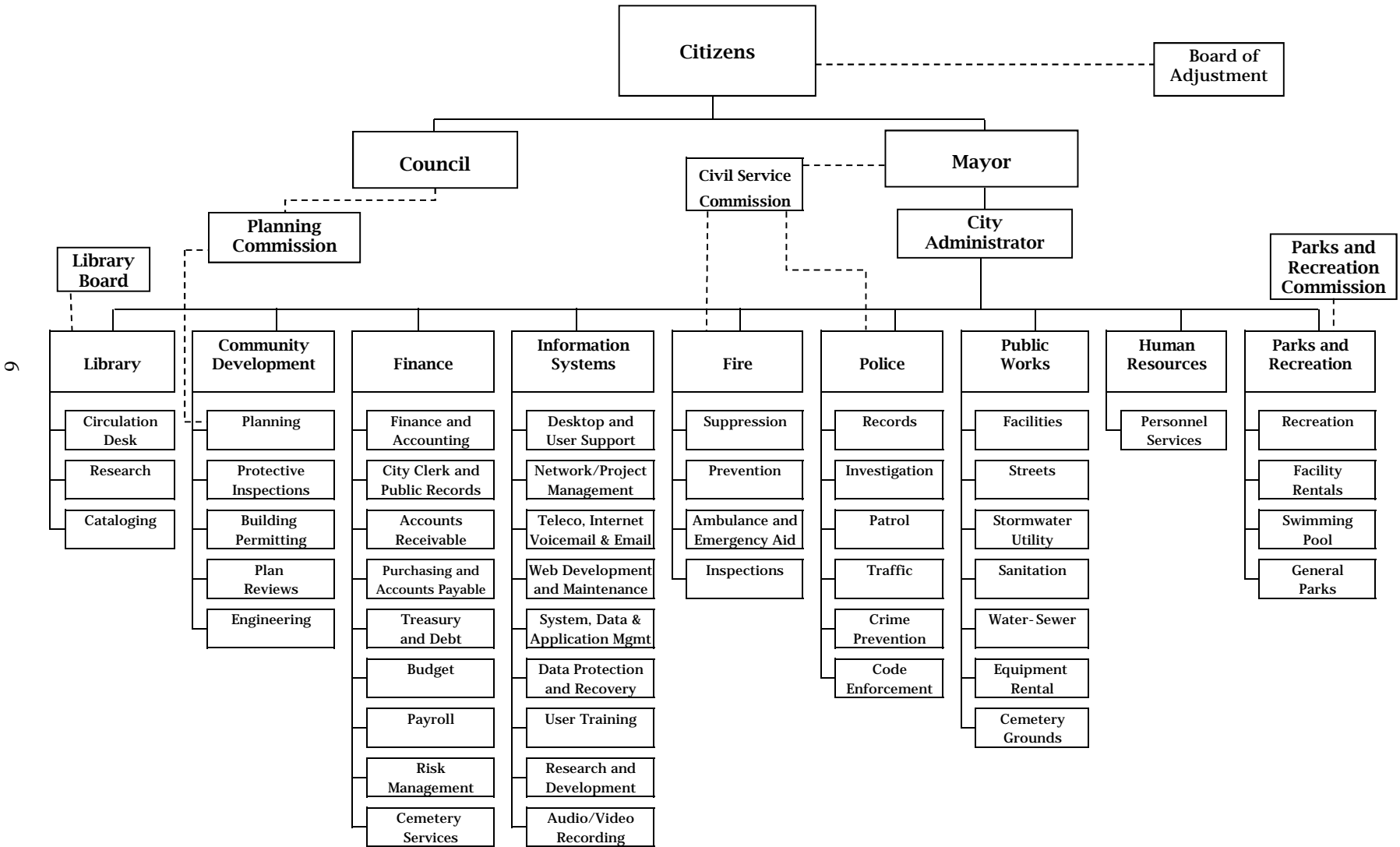


Nina D. Regor
City Administrator

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City of Camas, Washington

Organizational Chart



CITY OF CAMAS, WASHINGTON

DIRECTORY OF OFFICIALS AS OF DECEMBER 31, 2012

ELECTED OFFICIALS

Mayor	Scott Higgins
Council Member – Ward 1	Tim Hazen
Council Member – Ward 1	Melissa Smith
Council Member – Ward 2	Linda Dietzman
Council Member – Ward 2	Steve Hogan
Council Member – Ward 3	Greg Anderson
Council Member – Ward 3	Shannon Turk
Council Member – At Large	Don Chaney

APPOINTED OFFICIALS

City Administrator	Lloyd Halverson
Public Works Director	Eric Levison
Finance Director	Joan Durgin
Police Chief	Mitch Lackey
Fire Chief	Nick Swinhart
Library Director	David Zavortink
Community Development Director	Phil Bourquin

Financial Section

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Washington State Auditor Troy Kelley

INDEPENDENT AUDITOR'S REPORT

June 25, 2013

Mayor and City Council
City of Camas
Camas, Washington

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Camas, Clark County, Washington, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the

appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Camas, Clark County, Washington, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Emergency Management Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 5, during the year ended December 31, 2012, the City has implemented the Governmental Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 21 and information on postemployment benefits other than pensions on page 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The accompanying information listed as combining financial statements on pages 81 through 96 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial

statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Section is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 25, 2013, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Camas' discussion and analysis is a narrative overview of the city's financial activities for the fiscal year ended December 31, 2012. The information presented here should be read in conjunction with our letter of transmittal, and the financial statements and notes to the financial statements that follow.

FINANCIAL HIGHLIGHTS

- City of Camas assets exceeded its liabilities at December 31, 2012 by \$177.9 million.
- Net investment in capital assets account for 95% of this amount, with a value of \$168.2 million.
- Of the remaining net assets, \$6.4 million may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction.
- The city's total net position showed an increase of \$278.2 thousand, less than 1% during 2012.
- As of December 31, 2012, City of Camas' governmental funds reported combined ending fund balances of \$5.0 million. Nearly 47% of this total amount, \$2.2 million is available for spending at the government's discretion.
- City of Camas' total bonded debt at December 31, 2012 was \$10.4 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and overview to the City of Camas' (the City) basic financial statements. This information will assist users in interpreting the basic statements. We will also provide other financial discussion and analysis of certain plans, projects and trends necessary for understanding the full context of the financial condition of the city.

Basic Financial Statements

The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and, 3) notes to the financial statements.

Government-wide financial statements

Government-wide financial statements provide readers with a broad overview of the City of Camas' finances in a manner similar to a private-sector business, distinguishing functions of the city that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities"). The governmental activities of the City of Camas include a full range of local government services provided to the public, such as law enforcement and public safety, fire protection, road construction and maintenance, community planning and development, parks and recreation facilities, and other community services. In addition, other general government services are provided, such as the issuance of permits and licenses. The business-type activities of the city include water and sewer, storm water, and sanitation utilities.

The statement of net position presents information on all of the City of Camas' assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the

city is improving or deteriorating. Other indicators include the condition of the city's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the city.

The statement of activities presents information showing how the government's net position changed during 2012. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). This shows the extent each program relies on taxes for funding. All changes in net position are reported using the accrual basis of accounting which requires that revenues are reported when they are earned and expenses are reported when the goods and services are received. Items such as uncollected taxes, unpaid vendor invoices for items received in 2012, and earned but unused vacation leave and a portion of sick leave will be included in the statement of activities as revenue and expense, even though the cash associated with these items will not be received or distributed in 2012.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Camas, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. All of the funds of the city fall into three categories: governmental funds, proprietary funds, and fiduciary funds. Governmental Funds account for most, if not all, of a government's tax-supported activities. Proprietary Funds account for a government's business type activities where all or part of the costs of activities are supported by fees and charges that are paid directly by those who benefit from the activities. Fiduciary Funds account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental funds

The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund, Emergency Management Services Fund and the Growth Management Fund. These are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements accrual basis focus, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This gives readers a better understanding of the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to the governmental activities column in the government-wide statements, facilitating this comparison.

The city maintains budgetary controls over its operating funds. Budgetary controls ensure compliance with legal provisions embodied in the annual appropriated budget. Governmental fund budgets are established in accordance with state law, and are adopted on a fund level

except the General Fund. The General Fund budget is adopted on a department level. Budgetary variances are discussed later in this section.

Proprietary funds

The city has two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The city uses enterprise funds to account for its water-sewer, storm water drainage and sanitation utilities. Internal service funds accumulate and allocate costs among the city's various functions. The city uses an internal service fund to account for its rolling stock repair and replacement. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting. The proprietary fund financial statements provide separate information for the Water-Sewer, Storm Water Drainage and the Sanitary Funds which have been designated as major funds. In addition to the presentation of these major funds, the internal service fund is displayed as a single presentation on these statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Camas' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided, and are an integral part of the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Management considers the financial position of the city to have declined since 2011, in governmental activities. As noted earlier, changes in net assets may serve as a useful indicator of a government's financial position. The City of Camas net position total \$177,928,813 at December 31, 2012.

City of Camas Net Position

	Governmental Activities 2012	Governmental Activities 2011	Business-type Activities 2012	Business-type Activities 2011	Total Activities 2012	Total Activities 2011
Current and other assets	\$ 7,324,247	\$ 8,327,016	\$ 11,023,654	\$ 6,866,517	\$ 18,347,901	\$ 15,193,533
Capital assets (net of accumulated depreciation)	110,800,462	111,789,518	90,198,921	91,420,225	200,999,383	203,209,743
TOTAL ASSETS	118,124,709	120,116,534	101,222,575	98,286,742	219,347,284	218,403,276
Long-term liabilities	11,248,455	10,999,321	28,156,803	27,785,604	39,405,258	38,784,925
Other liabilities	1,352,268	1,185,459	660,945	364,311	2,013,213	1,549,770
TOTAL LIABILITIES	12,600,723	12,184,780	28,817,748	28,149,915	41,418,471	40,334,695
NET POSITION						
Net investment in capital assets	103,002,429	103,793,081	65,195,717	65,951,208	168,198,146	169,744,289
Restricted	1,481,123	1,932,367	1,878,245	1,526,937	3,359,368	3,459,304
Unrestricted	1,040,434	2,206,306	5,330,865	2,658,682	6,371,299	4,864,988
TOTAL NET ASSETS	\$ 105,523,986	\$ 107,931,754	\$ 72,404,827	\$ 70,136,827	\$ 177,928,813	\$ 178,068,581

The largest portion of the city's net position (95 percent) reflects its investment in capital, less any related debt used to acquire those assets that is still outstanding. The city's capital assets are used to provide services to citizens. Consequently, these assets are not available for future spending.

Net position representing resources that are subject to external restrictions on how they may be used equate to 2%. The remaining balance of \$6,371,299 (unrestricted net position), represents the amount that may be used to meet the city's ongoing obligations.

At December 31, 2012, the City of Camas reports positive balances in all three categories of net position, for the government as a whole, and also for separate governmental activities. The same situation held true for the prior fiscal year.

Statement of Activities

The city's total net position decreased by almost \$280 thousand in 2012. This change was split among governmental activities with a decrease of \$2.5 million and an increase in business-type activities of \$2.3 million. A summary version of the Statement of Activities is shown in the following table. The following table depicts the relationship of revenues and expenses for the city's governmental activities and business-type funds.

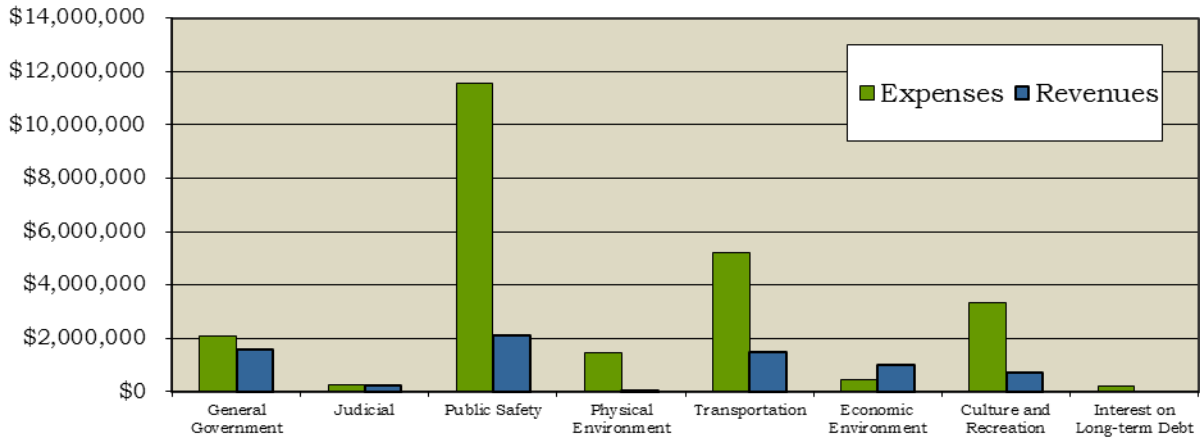
City of Camas Change in Net Position

	Governmental Activities 2012	Governmental Activities 2011	Business-type Activities 2012	Business-type Activities 2011	Total 2012	Total 2011
Revenues:						
Program revenues:						
Charges for services	\$ 5,022,220	\$ 5,335,880	\$ 12,974,047	\$ 11,827,219	\$ 17,996,267	\$ 17,163,099
Operating grants and contributions	589,203	490,960	84,296	11,661	673,499	502,621
Capital grants and contributions	1,583,722	2,037,901	819,953	3,204,068	2,403,675	5,241,969
General revenues:						
Taxes:						
Property taxes levied for general purposes	9,997,019	10,190,968	-	-	9,997,019	10,190,968
Property taxes levied for debt service	635,830	634,145	-	-	635,830	634,145
Sales and use taxes	2,157,612	2,467,139	-	-	2,157,612	2,467,139
Business and occupation taxes	435,401	448,932	-	-	435,401	448,932
Excise and other taxes	1,051,951	682,415	-	-	1,051,951	682,415
Grants and contributions not restricted to specific programs						
	450,614	384,621	-	-	450,614	384,621
Unrestricted investment earnings	31,869	43,084	7,949	21,478	39,818	64,562
Miscellaneous	48,934	36,166	-	-	48,934	36,166
Total revenues	22,004,375	22,752,211	13,886,245	15,064,426	35,890,620	37,816,637
Expenses:						
General government	2,078,571	2,046,532	-	-	2,078,571	2,046,532
Judicial	267,622	224,011	-	-	267,622	224,011
Public safety	11,549,612	10,975,382	-	-	11,549,612	10,975,382
Physical environment	1,454,602	1,430,486	-	-	1,454,602	1,430,486
Transportation	5,187,623	5,220,600	-	-	5,187,623	5,220,600
Health and human services	6,000	3,496	-	-	6,000	3,496
Economic environment	457,656	395,350	-	-	457,656	395,350
Culture and recreation	3,344,599	3,381,078	-	-	3,344,599	3,381,078
Interest on long-term debt	204,322	182,979	-	-	204,322	182,979
Water-Sewer	-	-	8,488,128	7,758,339	8,488,128	7,758,339
Storm Water Drainage	-	-	1,284,973	1,181,647	1,284,973	1,181,647
Sanitation	-	-	1,845,144	1,846,979	1,845,144	1,846,979
Total expenses	24,550,607	23,859,914	11,618,245	10,786,965	36,168,852	34,646,879
Increase in net position	(2,546,232)	(1,107,703)	2,268,000	4,277,461	(278,232)	3,169,758
Net position - beginning	107,931,754	109,521,799	70,136,827	65,022,180	178,068,581	174,543,979
Prior Period Adjustment	138,464	(482,342)	-	837,186	138,464	354,844
Net position - ending	\$ 105,523,986	\$ 107,931,754	\$ 72,404,827	\$ 70,136,827	\$ 177,928,813	\$ 178,068,581

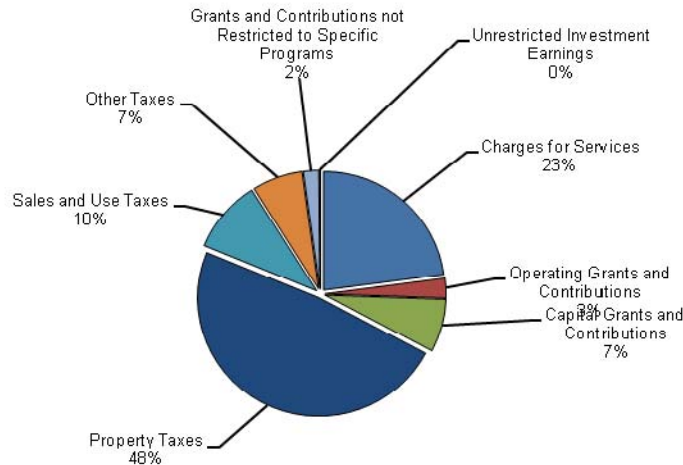
Governmental Activity Analysis

The City of Camas net position decreased by \$2.5 million, or nearly 2.4%, corresponding to a \$2 million decrease in total assets and a \$416,000 increase in total liabilities. Program revenues decreased \$670,000, or 9% over the previous year, primarily attributable to a \$320,000 decrease in plan review fees and licenses for building construction, \$1 million increase in capital grants for transportation activities, and a \$1.4 million decrease in culture and recreation capital grants. Governmental program spending increased \$691,000 in 2012, due mostly from a \$574,000 increase in public safety costs and a \$62,000 increase in economic environment expenses.

Expenses and Program Revenues - Governmental Activities



Revenues by Source - Governmental Activities



Business-Type Activities Analysis

The Water-Sewer Fund is the largest proprietary fund in the city. The financial position of the city's business-type funds is strongly influenced by the Water-Sewer Fund. This year that fund had an \$604,000 increase in charges for services revenues, a \$2.3 million decrease in capital grants and contributions and a \$647,000 increase in expenses over the prior year, with an overall increase in net position of 4%. Increased expenses occurred in the non-operating classification; increased interest costs and a \$540,000 loss on disposal of assets. The largest

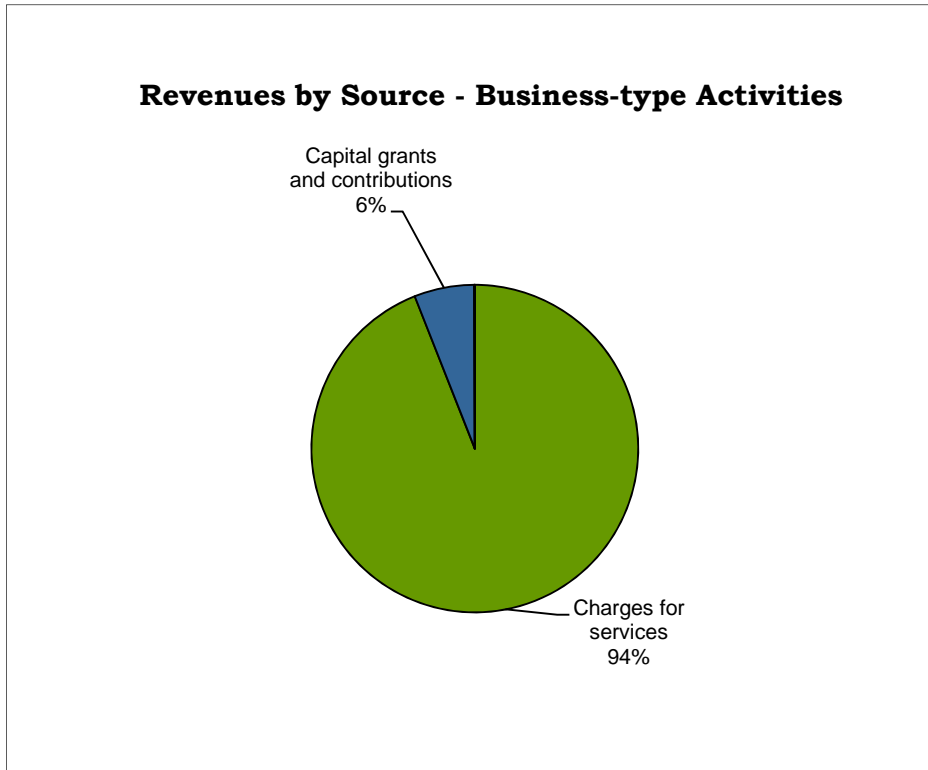
change in this fund's activity was the increase of \$3.6 million in cash and equivalents related to increased charges for services and decreased operating expenses. The Sanitary Fund and Storm Water Drainage Fund are the other propriety funds.

Business-Type Activity Program Revenues

Water-Sewer	\$10,684,773	77%
Storm Water Drainage	1,214,719	9%
Sanitary	1,978,804	14%
		<u>100%</u>

Business-Type Activity Program Expenses

Water-Sewer	\$8,488,128	73%
Storm Water Drainage	1,284,973	11%
Sanitary	1,845,144	16%
		<u>100%</u>



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds Analysis

The city has 10 governmental funds, categorized into four fund types. Each fund type has a unique purpose. Three funds are classified as major funds for the purposes of this report, based on criteria set forth by the GASB. Those funds are the General Fund, the Emergency Management Services Fund and the Growth Management Fund.

The change in total governmental funds fund balance was a decrease of 20% in 2012. This is made up of \$1.7 million in decreased revenues and \$393,000 in increased expenses.

The General Fund is the chief operating fund of the City of Camas. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2.8 million. As a measure of the general fund's liquidity, it may be useful to compare the total fund balance to total fund expenditures. The total fund balance of \$3,848,633 is 26% of total general fund expenditures.

The General Fund had a decrease in fund balance of 6%. Revenues in the general fund decreased less than 1% with expenditures increasing 6%. Expenditures and other financing uses exceeded revenues by \$256,760.

The Emergency Management Services Fund accounts for ambulance and emergency aid services. The fund balance decreased 95% as expenditures exceeded property taxes and charges for services. Revenues decreased \$152 thousand or 5% due to decreased shared revenues from other governments and decreased charges for services. Expenditures increased \$135 thousand or 5% in 2012 from 2011 due to additional personnel and related costs.

The Growth Management Fund accounts for impact fees, real estate excise taxes, and grant revenues for the purchase and construction of capital facilities. Revenues decreased \$1.7 million from 2011 with the completion of park land purchases, funded by intergovernmental grant revenues.

Business-Type Activities Analysis

Proprietary funds are those funds that account for government operations where the intent is for the costs to be primarily paid for by user charges. Enterprise funds are those funds that provide services primarily to external users, and the internal service funds provide their services primarily within the city, or to other governmental units. The business-type activities are accounted for in three enterprise funds and one internal service fund.

The Water-Sewer Fund is the largest business-type fund in the city, accounting for 86% of net position for the enterprise funds at \$61 million. The Water-Sewer Fund had an increase in net assets of \$2.2 million. Revenues generated from operations were higher than the prior year by \$604 thousand (68%), and operating expenses decreased by 1%. The higher revenues are a result of a water utility rate increase of 3% and sewer rate increase of 4.5% effective March, 2012.

The Sanitary Fund net position increased 17% in 2012. Charges for services increased 3% while operating expenses remained fairly stable.

The Storm Water Drainage Fund net position decreased by less than 1% in 2012. In 2012, expenses increased 9% and revenues increased 20%.

The Internal Service Fund, the Equipment Rental Fund net position showed an increase of 1% in 2012. Revenues decreased less than 1% while expenses increased 1%. Rates for the rental of equipment were not increased in 2012 to hold costs down for the benefit of the operating

funds that rent the equipment. There were fewer pieces of equipment being rented out to other funds but the newer equipment with higher values has a higher rental rate.

GENERAL FUND BUDGETARY HIGHLIGHTS

The city budgets on an annual basis. General Fund revenues came in at 101% of the anticipated budget, while expenditures were 98% of the budget.

Differences between the original budget and the final amended budget consisted of internal adjustments between the departments in 2012, summarized as follows:

The engineering department allocated \$24,000 to the parks department, \$14,500 to the executive department and \$6,000 to legislative services. The detention department allocated \$13,000 to the finance department, \$14,000 to human resources department, and \$10,000 to the fire department. Budget allocation for operating transfers was reallocated to support the parks department for \$17,000 and central services department for \$73,000 to remodel the lobby in City Hall. Police department allocated \$6,000 to animal control services and \$2,000 for the executive department, and the judicial department reallocated budget authority of \$10,000 to the fire department.

One budget amendment of \$100,000 in the General Fund was also processed to fund the hiring of an additional firefighter.

Significant variances between the General Fund final amended budget and actual results include:

- Intergovernmental revenue was 117% of budgeted, \$103,176 higher than projected
- License and permits were 64% of budgeted, \$188,000 less than projected.
- The police department had a savings in its budget of \$90,523 due to a lower number of officers than budgeted
- The human resources department exceeded its budget \$9,110 even after a budget allocation of \$14,000 was transferred to this department from the detention department
- Engineering department had a savings of 5.5% or \$70,049 in salaries and benefits since some of the engineers allocate their salaries and benefits to specific capital projects accounted for in other funds

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

City of Camas' investment in capital assets, including construction in progress for its governmental and business type activities as of December 31, 2012, was \$200,999,383 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, and construction in progress on buildings and systems. This reflects a decrease in net capital assets of \$2.2 million during the year.

City of Camas Capital Assets

(net of depreciation)

	Governmental Activities		Business-Type Activities		Total Activities	
	1/1/2012	12/31/2012	1/1/2012	12/31/2012	1/1/2012	12/31/2012
	Land	\$57,089,390	\$58,734,788	\$953,931	\$953,931	\$58,043,321
Buildings and systems	11,173,282	10,931,760	14,920,205	21,873,877	26,093,487	32,805,637
Improvements other than buildings	4,030,689	3,621,830	5,896,484	5,644,074	9,927,173	9,265,904
Machinery and equipment	3,809,126	3,760,828	11,551,665	18,502,927	15,360,791	22,263,755
Intangibles	7,900	0	0	12,414	7,900	12,414
Infrastructure	35,501,321	32,627,986	43,574,220	42,903,719	79,075,541	75,531,705
Construction in progress	177,810	1,123,270	14,523,720	307,979	14,701,530	1,431,249
Total	\$111,789,518	\$110,800,462	\$91,420,225	\$90,198,921	\$203,209,743	\$200,999,383

Major capital asset additions include completion of the \$14 million wastewater treatment plant improvements and \$1.5 million towards construction of the 38th Avenue improvements.

Additional information on the City of Camas' capital assets can be found in the Notes to the Financial Statements note IV item C of this report.

Long-Term Debt

At December 31, 2012, the City of Camas had total bonded debt outstanding of \$10.4 million and government loans of \$25.1 million. Of this amount, \$4.3 million is general obligation debt, which is debt backed by the full faith and credit of the government. The revenue bonds of \$6.2 million represent bonds secured solely by specified revenue source. The governmental loans are backed by the full faith and credit of the city and are intended to be repaid with traffic impact fees or general property taxes if traffic impact fees are not sufficient. The business-type government loans are intended to be repaid with a specified revenue source. The table below is a comparison of the summary information for year-end 2012 and 2011 bonded and non-bonded debt (in thousands).

	Governmental Activities		Business-Type Activities		Total Activities	
	2012	2011	2012	2011	2012	2011
	General obligation bonds	\$ 4,253	\$ 4,703	\$ -	\$ -	\$ 4,253
Revenue bonds	-	-	6,232	6,750	6,232	6,750
Government loans	3,545	3,293	21,584	20,578	25,129	23,871
Total	\$ 7,798	\$ 7,996	\$ 27,816	\$ 27,328	\$ 35,614	\$ 35,324

The City of Camas' total bonded debt decreased by \$1,050,000 during 2012. This decrease is due to payment of scheduled principal payments made throughout 2012. The government loan balances increased \$1,258,000. The city's remaining capacity for non-voted debt is approximately \$36 million.

City of Camas maintains an "A1" rating from Moody's for general obligation debt.

Additional information on the city's long-term debt can be found in the Notes to the Financial Statements note IV item F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Several factors were considered and affected the preparation of the City's 2013 budget.

- The local economy in the housing construction market in Camas showed signs of improvement, therefore building plan review fees and building permit revenue were projected at a 25% increase over 2012
- Real estate sales activity had a significant increase late in 2012 justifying a 25% increase in real estate excise tax revenue budgeted
- Several commercial office buildings were anticipated to begin construction increasing sales tax revenue and building plan review fees
- The projected assessed value of all taxable real property would decline 1%

The City Council strongly desired to maintain the existing level of service to its citizens. With this goal and the economic factors above, \$834,505 of unreserved fund balance was budgeted to balance the General Fund.

Requests for Information

This financial report is designed to provide a general overview of the City of Camas' finances for all those with an interest. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Finance Department, City of Camas, P.O. Box 1055, Camas, WA, 98607-0055.

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Basic Financial Statements

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CITY OF CAMAS, WASHINGTON

Statement of Net Position

December 31, 2012

	Governmental Activities	Business-type Activities	Total Primary Government
Assets:			
Cash and Cash Equivalents	\$ 6,547,813	\$ 3,762,306	\$ 10,310,119
Receivables (Net of Allowance for Uncollectible)	1,400,807	1,700,134	3,100,941
Internal Balances	(644,600)	644,600	-
Prepaid Items	-	4,800	4,800
Deferred Charges	20,227	52,222	72,449
Restricted Assets			
Cash	-	4,484,586	4,484,586
Investments	-	370,572	370,572
Accrued Interest Receivable	-	4,434	4,434
Capital Assets Not Being Depreciated:			
Land	58,734,788	953,931	59,688,719
Construction Work in Progress	1,123,270	307,979	1,431,249
Capital Assets Net of Accumulated Depreciation:			
Buildings	10,931,760	21,873,877	32,805,637
Improvements Other than Buildings	3,621,830	5,644,074	9,265,904
Machinery and Equipment	3,760,828	18,502,927	22,263,755
Intangibles	-	12,414	12,414
Infrastructure	32,627,986	42,903,719	75,531,705
Total Assets	118,124,709	101,222,575	219,347,284
Liabilities:			
Accounts Payable and Other Current Liabilities	746,022	431,912	1,177,934
Accrued Interest Payable	22,600	229,033	251,633
Unearned Revenue	497,908	-	497,908
Custodial Accounts	85,738	-	85,738
Noncurrent Liabilities:			
Due within One Year	904,562	2,186,795	3,091,357
Due in More than One Year	10,343,893	25,970,008	36,313,901
Total Liabilities	12,600,723	28,817,748	41,418,471
Net Assets:			
Net Investment in Capital Assets	103,002,429	65,195,717	168,198,146
Restricted for:			
Tourism	10,582	-	10,582
Public Safety	129,462	-	129,462
Debt Service	76,993	825,047	902,040
Capital	1,264,086	1,053,198	2,317,284
Unrestricted	1,040,434	5,330,865	6,371,299
Total Net Assets	\$ 105,523,986	\$ 72,404,827	\$ 177,928,813

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON
Statement of Activities
Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business -type Activities	Total
PRIMARY GOVERNMENT							
Governmental Activities:							
General Government	\$ 2,078,571	\$ 1,490,187	\$ 67,043	\$ 32,025	\$ (489,316)	\$ -	\$ (489,316)
Judicial	267,622	231,292	-	-	(36,330)	-	(36,330)
Public Safety	11,549,612	1,994,185	117,850	-	(9,437,577)	-	(9,437,577)
Physical Environment	1,454,602	66,822	-	-	(1,387,780)	-	(1,387,780)
Transportation	5,187,623	41,028	401,473	1,046,416	(3,698,706)	-	(3,698,706)
Health and Human Services	6,000	-	-	-	(6,000)	-	(6,000)
Economic Environment	457,656	1,008,057	1,687	-	552,088	-	552,088
Culture and Recreation	3,344,599	190,649	1,150	505,281	(2,647,519)	-	(2,647,519)
Interest on Long-Term Debt	204,322	-	-	-	(204,322)	-	(204,322)
TOTAL GOVERNMENTAL ACTIVITIES	24,550,607	5,022,220	589,203	1,583,722	(17,355,462)	-	(17,355,462)
Business Type Activities:							
Water Sewer	8,488,128	9,886,226	-	798,547	-	2,196,645	2,196,645
Storm Water Drainage	1,284,973	1,109,017	84,296	21,406	-	(70,254)	(70,254)
Sanitary	1,845,144	1,978,804	-	-	-	133,660	133,660
TOTAL BUSINESS-TYPE ACTIVITIES	11,618,245	12,974,047	84,296	819,953	-	2,260,051	2,260,051
Total Primary Government	\$ 36,168,852	\$ 17,996,267	\$ 673,499	\$ 2,403,675	\$ (17,355,462)	\$ 2,260,051	\$ (15,095,411)
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					\$ 9,997,019	\$ -	\$ 9,997,019
Property Taxes, Levied for Debt Service					635,830	-	635,830
Sales and Use Taxes					2,157,612	-	2,157,612
Business and Occupation Taxes					435,401	-	435,401
Excise and Other Taxes					1,051,951	-	1,051,951
Grants and Contributions not Restricted to Specific Programs					450,614	-	450,614
Unrestricted Investment Earnings					31,869	7,949	39,818
Miscellaneous					48,934	-	48,934
Total General Revenues					14,809,230	7,949	14,817,179
Change in Net Position					(2,546,232)	2,268,000	(278,232)
Net Position - Beginning					107,931,754	70,136,827	178,068,581
Prior Period Adjustments					138,464	-	138,464
Net Position - Ending					\$ 105,523,986	\$ 72,404,827	\$ 177,928,813

CITY OF CAMAS, WASHINGTON
Governmental Funds
Balance Sheet
December 31, 2012

	General Fund	Emergency Management Services Fund	Growth Management Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and Cash Equivalents	\$ 3,795,064	\$ 25,724	\$ 1,254,145	\$ 429,425	\$ 5,504,358
Property Taxes Receivables	247,890	25,019	-	24,977	297,886
Sales Taxes Receivable	359,307	-	-	-	359,307
Other Taxes Receivable	-	-	84,434	-	84,434
Accounts Receivable (net)	12,836	245,147	3,384	5,106	266,473
Interfund Loan Receivable	84,939	-	-	-	84,939
Due from Other Governmental Units	231,646	55,539	-	99,374	386,559
Total Assets	\$ 4,731,682	\$ 351,429	\$ 1,341,963	\$ 558,882	\$ 6,983,956
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	\$ 363,697	\$ 18,613	\$ 77,877	\$ 165,457	\$ 625,644
Interfund Loan Payable	-	84,939	-	90,000	174,939
Due to Other Governmental Units	135	-	-	-	135
Custodial Deposits	85,738	-	-	-	85,738
Deferred Revenue	433,479	229,764	-	367,111	1,030,354
Total Liabilities	883,049	333,316	77,877	622,568	1,916,810
Fund Balances:					
Restricted					
Tourism	-	-	-	10,582	10,582
Public Safety	129,462	-	-	-	129,462
Debt Service	-	-	-	38,497	38,497
Capital Outlay	-	-	1,264,086	-	1,264,086
Committed - Culture and Recreation	-	-	-	354,142	354,142
Committed - Public Safety	-	18,113	-	-	18,113
Assigned - Cemetery	33,985	-	-	-	33,985
Assigned - Working Capital	861,683	-	-	-	861,683
Unassigned	2,823,503	-	-	(466,907)	2,356,596
Total Fund Balances	3,848,633	18,113	1,264,086	(63,686)	5,067,146
Total Liabilities and Fund Balances	\$ 4,731,682	\$ 351,429	\$ 1,341,963	\$ 558,882	

Amounts reported for governmental activities in the statement of net position are different because (See Note II also):

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	108,364,772
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds	532,446
Internal service funds are used to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	2,726,354
Long-term liabilities that are not due and payable in the current period and are not reported in the funds	(11,166,732)
Net position of governmental activities	\$ 105,523,986

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the Fiscal Year Ended December 31, 2012

	General Fund	Emergency Management Services Fund	Growth Management Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property Taxes	\$ 9,287,773	\$ 894,638	\$ -	\$ 635,830	\$ 10,818,241
Sales and Use Taxes	2,151,296	-	-	6,316	2,157,612
Other Taxes	655,672	-	831,680	-	1,487,352
License and Permits	336,991	-	-	-	336,991
Intergovernmental	720,626	842,684	33,384	1,046,902	2,643,596
Charges for Services	1,893,591	897,669	439,347	258	3,230,865
Fines and Forfeits	230,794	11,888	-	-	242,682
Interest Earnings	23,568	508	4,780	975	29,831
Rents and Royalties	61,243	-	-	-	61,243
Contributions/Donations	22,157	4,019	15,000	-	41,176
Miscellaneous	55,968	3,178	-	18,154	77,300
Total Revenues	<u>15,439,679</u>	<u>2,654,584</u>	<u>1,324,191</u>	<u>1,708,435</u>	<u>21,126,889</u>
Expenditures:					
Current					
General Government	1,982,884	-	-	-	1,982,884
Judicial	267,622	-	-	-	267,622
Public Safety	7,973,943	2,997,327	-	-	10,971,270
Physical Environment	1,434,596	-	-	-	1,434,596
Transportation	-	-	-	1,462,017	1,462,017
Economic Environment	448,020	-	-	2,800	450,820
Mental and Physical Health	6,000	-	-	-	6,000
Culture and Recreation	2,606,483	-	-	-	2,606,483
Capital Outlay	216,440	-	627,795	1,914,838	2,759,073
Debt Service					
Principal Retirement	-	-	-	967,230	967,230
Interest/Fiscal Charges	-	-	-	220,301	220,301
Total Expenditures	<u>14,935,988</u>	<u>2,997,327</u>	<u>627,795</u>	<u>4,567,186</u>	<u>23,128,296</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	503,691	(342,743)	696,396	(2,858,751)	(2,001,407)
Other Financing Sources (Uses)					
Long-term Debt Issuance	-	-	-	768,826	768,826
Insurance Recoveries	588	10,000	-	20,166	30,754
Transfers In	290,000	-	-	1,919,022	2,209,022
Transfers Out	(1,051,039)	-	(1,157,983)	-	(2,209,022)
Total Other Financing Sources and Uses	<u>(760,451)</u>	<u>10,000</u>	<u>(1,157,983)</u>	<u>2,708,014</u>	<u>799,580</u>
Net Change in Fund Balances	(256,760)	(332,743)	(461,587)	(150,737)	(1,201,827)
Fund Balance at Beginning of Year	4,105,393	350,856	1,725,673	(51,413)	6,130,509
Prior period adjustment	-	-	-	138,464	138,464
Fund Balance at End of Year	<u>\$ 3,848,633</u>	<u>\$ 18,113</u>	<u>\$ 1,264,086</u>	<u>\$ (63,686)</u>	<u>\$ 5,067,146</u>

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
Year Ended December 31, 2012

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds: \$ (1,201,827)

Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period. (1,991,335)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. 848,866

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (10,473)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. 198,404

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (412,511)

Internal service funds are used by management to charge the costs of equipment, insurance and printing to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 22,644

Change in net position of governmental activities \$ (2,546,232)

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balances

Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 9,144,000	\$ 9,144,000	\$ 9,225,776	\$ 81,776
Sales and Use Taxes	2,100,000	2,100,000	2,151,296	51,296
Other Taxes	664,000	664,000	655,672	(8,328)
License and Permits	524,800	524,800	336,991	(187,809)
Intergovernmental	577,450	617,450	720,626	103,176
Charges for Services	2,095,229	2,095,229	1,893,591	(201,638)
Fines and Forfeits	256,800	256,800	230,794	(26,006)
Interest Earnings	27,500	27,500	22,387	(5,113)
Rents and Royalties	50,600	50,600	61,243	10,643
Contributions/Donations	17,500	17,500	22,157	4,657
Miscellaneous	21,300	21,300	55,968	34,668
Total Revenues	15,479,179	15,519,179	15,376,501	(142,678)
Expenditures:				
Current				
General Government	1,978,084	2,000,784	1,982,884	17,900
Judicial	265,000	254,000	267,622	(13,622)
Public Safety	7,981,279	8,094,779	7,973,943	120,836
Physical Environment	1,433,350	1,383,650	1,297,776	85,874
Economic Environment	462,689	463,689	448,020	15,669
Mental and Physical Health	5,100	5,100	6,000	(900)
Culture and Recreation	2,601,283	2,645,783	2,606,483	39,300
Capital Outlay	120,000	172,000	190,814	(18,814)
Total Expenditures	14,846,785	15,019,785	14,773,542	246,243
Excess (Deficiency) of Revenues				
Over (under) Expenditures	632,394	499,394	602,959	103,565
Other Financing Sources (Uses):				
Insurance Recoveries	-	-	588	588
Transfers In	290,000	290,000	290,000	-
Transfers Out	(1,259,172)	(1,186,172)	(1,174,233)	11,939
Total Other Financing Sources and Uses	(969,172)	(896,172)	(883,645)	12,527
Net Change in Fund Balance	(336,778)	(396,778)	(280,686)	116,092
Fund Balances at Beginning of Year	336,778	396,778	4,095,334	3,758,556
Fund Balances at End of Year	\$ -	\$ -	\$ 3,814,648	\$ 3,874,648
Adjustments to general accepted accounting principles (GAAP) Basis				
Cemetery Fund			33,985	
Fund Balance - GAAP basis			\$ 3,848,633	

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON
Emergency Management Services
Statement of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 889,000	\$ 889,000	\$ 894,638	\$ 5,638
Intergovernmental	762,700	802,700	842,684	39,984
Charges for Services	943,208	943,208	897,669	(45,539)
Fines and Forfeits	10,000	10,000	11,888	1,888
Interest Earnings	100	100	508	408
Contributions/Donations	-	-	4,019	4,019
Miscellaneous	1,500	1,500	3,178	1,678
Total Revenues	<u>2,606,508</u>	<u>2,646,508</u>	<u>2,654,584</u>	<u>8,076</u>
Expenditures:				
Current				
Security/Persons and Property	2,841,447	2,991,447	2,997,327	(5,880)
Total Expenditures	<u>2,841,447</u>	<u>2,991,447</u>	<u>2,997,327</u>	<u>(5,880)</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(234,939)	(344,939)	(342,743)	2,196
Other Financing Sources (Uses):				
Insurance Recoveries	-	-	10,000	10,000
Intergovernmental Loan Proceeds	84,939	84,939	-	(84,939)
Total Other Financing Sources and Uses	<u>84,939</u>	<u>84,939</u>	<u>10,000</u>	<u>(74,939)</u>
Net Change in Fund Balance	(150,000)	(260,000)	(332,743)	(72,743)
Fund Balances at Beginning of Year	<u>150,000</u>	<u>260,000</u>	<u>350,856</u>	<u>200,856</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,113</u>	<u>\$ 128,113</u>

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Net Position
December 31, 2012

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Assets:					
Current Assets:					
Cash and Cash Equivalents	\$ 2,410,155	\$ 593,776	\$ 758,375	\$ 3,762,306	\$ 1,043,455
Receivables					
Accounts	1,274,107	145,718	269,433	1,689,258	6,148
Due from Other Governmental Units	-	10,876	-	10,876	-
Prepaid Expenses	4,800	-	-	4,800	-
Restricted Assets					
Cash and Cash Equivalents	4,484,586	-	-	4,484,586	-
Investments	370,572	-	-	370,572	-
Interest Receivable	4,434	-	-	4,434	-
Total Current Assets	<u>8,548,654</u>	<u>750,370</u>	<u>1,027,808</u>	<u>10,326,832</u>	<u>1,049,603</u>
Noncurrent Assets:					
Deferred Charges	52,222	-	-	52,222	-
Property, Plant and Equipment (Net)					
Land	953,931	-	-	953,931	104,731
Building	21,873,877	-	-	21,873,877	755,771
Intangible Assets	12,414	-	-	12,414	-
Improvements Other than Buildings	5,644,074	-	-	5,644,074	73,486
Machinery and Equipment	18,502,927	-	-	18,502,927	1,501,702
Infrastructure	34,137,165	8,766,554	-	42,903,719	-
Construction in Progress	307,979	-	-	307,979	-
Total Noncurrent Assets	<u>81,484,589</u>	<u>8,766,554</u>	<u>-</u>	<u>90,251,143</u>	<u>2,435,690</u>
Total Assets	<u>90,033,243</u>	<u>9,516,924</u>	<u>1,027,808</u>	<u>100,577,975</u>	<u>3,485,293</u>
Liabilities					
Current Liabilities:					
Accounts Payable	367,288	13,102	51,522	431,912	30,244
Accrued Interest Payable	229,033	-	-	229,033	-
Accrued Employee Benefits	18,070	2,135	5,118	25,323	7,325
Bonds, Notes and Loans Payable	2,161,472	-	-	2,161,472	-
Total Current Liabilities	<u>2,775,863</u>	<u>15,237</u>	<u>56,640</u>	<u>2,847,740</u>	<u>37,569</u>
Noncurrent Liabilities:					
Bonds, Notes and Loan Payable	25,655,339	-	-	25,655,339	-
Accrued Employee Benefits	216,856	19,216	78,597	314,669	76,770
Total Noncurrent Liabilities	<u>25,872,195</u>	<u>19,216</u>	<u>78,597</u>	<u>25,970,008</u>	<u>76,770</u>
Total Liabilities	<u>28,648,058</u>	<u>34,453</u>	<u>135,237</u>	<u>28,817,748</u>	<u>114,339</u>
Net Position:					
Net Investment in Capital Assets	56,429,163	8,766,554	-	65,195,717	2,435,690
Restricted for Debt Service	825,047	-	-	825,047	-
Restricted for Capital Purposes	1,053,198	-	-	1,053,198	-
Unrestricted	3,077,777	715,917	892,571	4,686,265	935,264
Total Net Position	<u>\$ 61,385,185</u>	<u>\$ 9,482,471</u>	<u>\$ 892,571</u>	<u>\$ 71,760,227</u>	<u>\$ 3,370,954</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				644,600	
Net Assets of Business-type Activities				<u>\$ 72,404,827</u>	

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended December 31, 2012

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Operating Revenues:					
Charge for Services	\$ 9,509,660	\$ 1,061,226	\$ 1,977,390	\$ 12,548,276	\$ 1,251,298
Total Operating Revenues	<u>9,509,660</u>	<u>1,061,226</u>	<u>1,977,390</u>	<u>12,548,276</u>	<u>1,251,298</u>
Operating Expenses:					
Collection and Disposal	-	-	1,535,529	1,535,529	-
Storm Drainage Operations and Maintenance	-	566,347	-	566,347	-
Water Operations and Maintenance	1,647,170	-	-	1,647,170	-
Sewer Operations and Maintenance	2,094,288	-	-	2,094,288	-
Customer Accounts	45,607	-	146,772	192,379	-
Administration	833,476	308,708	66,372	1,208,556	-
Equipment Rental Operations	-	-	-	-	907,112
Taxes	355,759	21,207	103,684	480,650	-
Depreciation and Amortization	2,207,980	398,906	-	2,606,886	345,422
Total Operating Expenses	<u>7,184,280</u>	<u>1,295,168</u>	<u>1,852,357</u>	<u>10,331,805</u>	<u>1,252,534</u>
Operating Income (loss)	2,325,380	(233,942)	125,033	2,216,471	(1,236)
Nonoperating Revenues (Expenses)					
Interest Earnings	5,290	1,251	1,408	7,949	2,037
State and Federal Grants	-	84,296	-	84,296	-
Interest and Fiscal Charges	(767,618)	-	-	(767,618)	-
Gain (Loss) on Disposal of Assets	(539,843)	-	-	(539,843)	(14,651)
Miscellaneous Revenue (Expense)	376,566	2,364	1,414	380,344	17,551
Total Nonoperating Revenues (Expenses)	<u>(925,605)</u>	<u>87,911</u>	<u>2,822</u>	<u>(834,872)</u>	<u>4,937</u>
Income (Loss) before Contributions and Transfers	1,399,775	(146,031)	127,855	1,381,599	3,701
Capital Contributions	798,547	66,833	-	865,380	39,964
Increase (Decrease) in Net Position	<u>2,198,322</u>	<u>(79,198)</u>	<u>127,855</u>	<u>2,246,979</u>	<u>43,665</u>
Total Net Position at Beginning of Year	59,186,863	9,561,669	764,716		3,327,289
Total Net Position at End of Year	<u>\$ 61,385,185</u>	<u>\$ 9,482,471</u>	<u>\$ 892,571</u>		<u>\$ 3,370,954</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				<u>21,021</u>	
Change in Net Position of Business-type Activities				<u>\$ 2,268,000</u>	

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended December 31, 2012

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Cash Flows from Operating Activities:					
Cash received from Customers	\$ 9,232,878	\$ 1,054,987	\$ 1,975,858	\$ 12,263,723	\$ -
Cash received from Interfund Services Provided		-	-	-	1,251,659
Cash payments to Suppliers	(2,249,716)	(245,039)	(438,527)	(2,933,282)	(515,704)
Cash payments to Employees	(1,781,915)	(283,665)	(396,035)	(2,461,615)	(361,185)
Cash payments to Disposal Contractor		-	(529,036)	(529,036)	-
Cash payments for Interfund Services Used	(701,244)	(310,990)	(473,586)	(1,485,820)	-
Cash received for Connection Fees	39,827	-	-	39,827	-
Cash received from Other Non-Operating Revenues	376,566	2,364	1,414	380,344	17,551
Net Cash Provided by Operating Activities	<u>4,916,396</u>	<u>217,657</u>	<u>140,088</u>	<u>5,274,141</u>	<u>392,321</u>
Cash Flows from Noncapital Financing Activities:					
Proceeds from State Grants	-	112,807	-	112,807	-
Payments on Interfund Loan	-	-	-	-	-
Interest paid on Interfund Loan	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>112,807</u>	<u>-</u>	<u>112,807</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Capital Grants	-	-	-	-	39,964
Proceeds from Other Long Term Debt	2,222,436	-	-	2,222,436	-
Acquisition and Construction of Capital Assets	(1,449,555)	-	-	(1,449,555)	(535,484)
Principal Paid on Revenue Bonds	(600,000)	-	-	(600,000)	-
Principal Paid on Other Long Term Obligations	(1,312,592)	-	-	(1,312,592)	-
Interest Paid on Revenue Bonds and Other Long Term Debt	(683,352)	-	-	(683,352)	-
Capital Contributed from Customers and Developers	351,509	-	-	351,509	-
Proceeds from Sale of Property	-	-	-	-	37,000
Net Cash Provided for Capital and Related Financing Activities	<u>(1,471,554)</u>	<u>-</u>	<u>-</u>	<u>(1,471,554)</u>	<u>(458,520)</u>
Cash Flows from Investing Activities:					
Interest on Investments and Cash Equivalents	23,708	1,251	1,408	26,367	2,038
Net Cash Used by Investing Activities	<u>23,708</u>	<u>1,251</u>	<u>1,408</u>	<u>26,367</u>	<u>2,038</u>
Net Increase (Decrease) in Cash and Cash Equivalents	3,468,550	331,715	141,496	3,941,761	(64,161)
Cash and Cash Equivalents at Beginning of Year	3,426,191	262,061	616,879	4,305,131	1,107,616
Cash and Cash Equivalents at End of Year	<u>\$ 6,894,741</u>	<u>\$ 593,776</u>	<u>\$ 758,375</u>	<u>\$ 8,246,892</u>	<u>\$ 1,043,455</u>
Cash and cash equivalents	\$ 2,410,155	\$ 593,776	\$ 758,375	\$ 3,762,306	\$ 1,043,455
Restricted cash and cash equivalents	4,484,586	-	-	4,484,586	-
Total Cash and Cash Equivalents	<u>\$ 6,894,741</u>	<u>\$ 593,776</u>	<u>\$ 758,375</u>	<u>\$ 8,246,892</u>	<u>\$ 1,043,455</u>

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON

Proprietary Funds

Statement of Cash Flows

For the Fiscal Year Ended December 31, 2012

	Enterprise Funds				(Governmental Activities)
	Water-Sewer	Storm Water Drainage	Sanitary	Total	Internal Service - Equipment Rental
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities:					
Net Operating Income (Loss)	\$ 2,325,380	\$ (233,942)	\$ 125,033	\$ 2,216,471	\$ (1,236)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by Operations:					
Depreciation Expense	2,207,980	398,906	-	2,606,886	345,422
(Increase) Decrease in Receivables	(236,655)	(6,239)	(1,532)	(244,426)	361
Increase (Decrease) in Current Payables	203,200	507	6,999	210,706	11,173
Increase (Decrease) in Accrued Employee Benefits	(42,376)	4,285	8,174	(29,917)	19,050
Increase (Decrease) in Customer Deposits	(300)	-	-	(300)	-
Receipt of Non-Operating Revenues	459,167	54,140	1,414	514,721	17,551
Total Adjustments	<u>2,591,016</u>	<u>451,599</u>	<u>15,055</u>	<u>3,057,670</u>	<u>393,557</u>
Net Cash Provided by Operating Activities	<u>\$ 4,916,396</u>	<u>\$ 217,657</u>	<u>\$ 140,088</u>	<u>\$ 5,274,141</u>	<u>\$ 392,321</u>
Noncash Investing, Financing and Capital Activities					
Capital Assets Donated	\$ 447,038	\$ 66,833	\$ -	\$ 513,871	\$ -
Interest Added to Note Principal	96,376	-	-	96,376	-
Net Change in Fair Value of Investments	(8,875)	-	-	(8,875)	-
Disposal of Capital Assets	-	-	-	-	-

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON
Firemen's Pension Fund
Statement of Fiduciary Net Position
December 31, 2012

	<u>2012</u>
Assets:	
Cash and Cash Equivalents	\$ 1,052,383
Investments (at Fair Value)	1,347,070
Receivables	
Interest	16,242
Due from Other Funds	<u>90,000</u>
Total Assets	<u>2,505,695</u>
Liabilities:	<u>-</u>
Total Liabilities	<u>-</u>
Net Position	
Held in Trust for Pension Benefits	<u>\$ 2,505,695</u>

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON
 Firemen's Pension Fund
 Statement of Changes in Fiduciary Net Position
 For The Year Ended December 31, 2012

	2012
Additions:	
Employer Contributions:	
For Pension Benefits	\$ 32,867
Total Contributions	32,867
Investment Income:	
Interest Earnings	17,215
Net increase in the fair value of investments	-
Net Investment Income	17,215
Total Additions	50,082
Deductions:	
Pension Benefits	15,380
Total Deductions	15,380
Net Increase in Fiduciary Net Position	34,702
Net Position - Beginning	2,470,993
Net Position - Ending	\$ 2,505,695

The notes to the financial statements are an integral part of this statement

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CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2012

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Camas, Washington have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. REPORTING ENTITY

The City of Camas was incorporated June 2, 1906 and operates under laws of the State of Washington applicable to non-charter code cities with a mayor-council form of government. As required by generally accepted accounting principles the financial statements present the City of Camas, the primary government. The city provides police, fire, streets, sanitation, recreation, library, cemetery, public improvements, planning and zoning, water supply, treatment and distribution and sewage collection and treatment services. In addition, the city also provides ambulance and emergency aid to all City of Camas residents and residents of the geographic area of the City of Washougal and East County Fire and Rescue. To support this function, the City of Washougal and East County Fire and Rescue levies property taxes and remits to the city their share of funding the ambulance and emergency aid services provided.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs for centralized services are included in program expenses reported for individual functions and activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are separate financial statements provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2012

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Basis of accounting refers to the point at which revenues and expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis relates to the timing of the measurements made, regardless of the measurement focus applied.

Governmental fund financial statements report the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Sales tax is considered to be available if it is collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the city.

The city reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for and reported in another fund.

The *Emergency Management Services Fund* was established to account for the revenues and expenditures made in purchasing, maintaining and operating the ambulance and emergency aid service for the city, adjacent fire district and the City of Washougal.

The *Growth Management Fund* is a capital projects fund which accounts for purchase and construction of capital facilities. Dedicated impact fees, real estate excise taxes and grant revenues finance this activity.

The city reports the following major proprietary funds:

The *Water-Sewer Fund* accounts for the activities of one of the city's utilities. Its revenues are received from the sales of water and charges for sewer collection and treatment. Expenses are for maintenance and extensions of water and sewer service facilities, operating and expanding a water supply system, and operating a sewer treatment plant. This fund also reflects the operation of revenue bonds outstanding, cumulative bond reserves and construction funds.

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The *Storm Water Drainage Fund* accounts for the activities of the city's storm water operations and capital facilities. Revenues are received from charges for storm water drainage services and system development charges. Expenses are for the maintenance of the drainage system, street cleaning, and expanding the city's storm water drainage facilities.

The *Sanitary Fund* accounts for the activities of the city's sanitation operations. Revenues are received from charges for garbage and recycling services. Expenses are for the collection and disposal services provided to citizens and businesses within the city.

Additionally, the government reports the following fund types:

Debt Service Funds account for the resources accumulated and payments made for principal and interest on the general government except those required to be accounted for in another fund.

Special Revenue Funds account for the proceeds of specific revenue sources to finance specific activities as required by law or administrative regulation. Their revenues are earmarked to finance certain activities or functions.

Capital Project Funds account for the acquisition or development of capital facilities for governmental activities. Their major sources of revenues are from proceeds from general obligation bonds, loans, real estate excise tax, impact fees, grants from other agencies and contributions from other funds.

Internal Service Funds account for equipment management services provided to other departments of the government, or to other governments on a cost reimbursement basis.

The *Pension Trust Fund* accounts for the activities of the Firemen's Pension fund, which accumulates resources for pension benefit payments to qualified firefighter retirees.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water-Sewer Fund, of the non-major enterprise fund and of the government's internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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D. ASSETS, LIABILITIES AND NET POSITION OR EQUITY

1. Cash and cash equivalents and investments

The city's cash and cash equivalents are considered to be cash on hand, certificates of deposit, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Cash resources of individual funds are invested in U.S. Treasury, U.S. Agencies and municipal government securities with interest accruing for the benefit of the individual fund. Cash resources required for immediate reasons (within the next month) are placed to the extent possible in short-term investments such as the state investment pool with interest accruing to the benefit of each individual fund.

Statutes authorize the city to invest in obligations of the U.S. Treasury, U.S. Agencies, the State Treasurer's Investment Pool, obligations of the State of Washington or political subdivisions and public funds investment pools. The city is currently invested in one public funds investment pool, Clark County. Investments for the city are reported at fair value. The Clark County and State Treasurer Investment Pools operate in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. (See Note IV A)

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually before December 15, and become a lien as of January 1, on property value listed as of the prior July 31. Assessed values are established by the county assessor. A revaluation of all property is required every four years.

Taxes are due in two equal installments on April 30 and October 31. The county treasurer remits collections monthly to the appropriate district (See Note V B). Taxes receivable consists of property taxes. Accrued interest receivable consists of amounts earned on investments, notes and contracts at the end of the year.

Customer accounts receivable consists of amounts owed from private individuals or organizations for services. (See Note IV B)

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3. Restricted assets

These accounts contain resources for debt service in enterprise funds. Certain proceeds of the Water-Sewer Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Additionally, certain development fees collected within the Water-Sewer Fund are restricted for capital projects.

The current portion of related liabilities are shown as Payables from Restricted Assets. Specific debt service reserve requirements are described in Note IV item E.

4. Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the city as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. (See Note IV C)

In the case of the initial capitalization of general infrastructure (i.e., those reported by government activities) the city chose to include all such items purchased or constructed by the city with an individual cost of more than \$5,000 regardless of their acquisition date. Historical costs had previously been recorded for these items. General infrastructure donated to the city by developers has been recorded from 1977 forward. The city was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Asset Category	Useful Life
Buildings	50
Infrastructure	10-50
Utility Improvements	10-80
Building Improvements	5-25
Vehicles	3-15
Intangibles	5-10
Office Equipment	5-10
Computer Equipment	5
Software	5

The city has constructed infrastructure with funding provided by federal financial assistance programs. The city has included such assets within the applicable column in the statement of net position.

5. Compensated absences

The city records all accumulated unused vacation. The city also records a liability for unpaid accumulated sick leave, as certain employees are eligible to receive 25% of their sick leave balance upon retirement. All vacation and sick pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. (See also Note IV F)

6. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Proprietary fund types record bond premiums and discounts, as well as issuance costs, and are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. (See also Note IV F)

7. Deferred revenue

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria has not been met.

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8. Restricted net position

The government-wide statement of net position reports \$3,359,368 of restricted net position, of which \$1,404,130 is restricted by enabling legislation.

9. Fund balance classifications

Assets in excess of liabilities are reported as fund balances and are segregated into separate classifications indicating the extent to which the city is bound to honor constraints on the specific purposes for which those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or are legally or contractually required to be maintained intact. Resources in nonspendable form include deferred charges, petty cash accounts and revolving funds.

Restricted: Fund balance is reported as *restricted* when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed: Fund balance is reported as *committed* when the City Council passes an ordinance that places specific constraints on how the resources may be used. The City Council can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned: Fund balance is reported as *assigned* when the City Council assign amounts for a specific purpose. The city's policy establishing this authorization is to adopt a resolution.

Unassigned: Fund balance reported as unassigned represent net resources in excess of nonspendable, restricted, committed and assigned fund balance. Only the general fund and street fund have unassigned fund balance.

When both restricted and unrestricted resources are available, the city's policy is to use restricted resources first, and then unrestricted resources, as they are needed. When committed, assigned or unassigned amounts are available, the city's policy is to use committed resources first, assigned secondly and finally unassigned resources.

The city displays \$861,683 as assigned working capital in the General Fund. \$700,000 of this is intended as a stabilization fund. This is classified as assigned because the city did not adopt a resolution or ordinance to specifically set these funds aside. No requirements or conditions for addition or spending these funds have been established by the city. The city's policy states that the total of all fund balance of the General Fund is expected to remain at 17% of annual budgeted expenditures.

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NOTE II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes a reconciliation between *fund balance—total governmental funds* and *net position—governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.” The details of this \$2,726,354 difference are as follows:

Net position of the internal service funds	\$ 3,370,954
Less: Internal payable representing charges in excess of cost to business-type activities - prior years	(623,579)
Add: Internal receivable representing cost to business -type activities in excess of charges - current year	(21,021)
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 2,726,354

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds Payable	\$ 4,253,000
Plus: Deferred amount for issuance costs	(20,227)
Accrued Interest Payable	22,600
Due to other governments	3,545,033
Net OPEB Obligation	1,951,646
Compensated Absences	1,414,680
Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	\$ 11,166,732

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B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures.” However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital Outlay	\$ 2,760,014
Expense construction in progress not feasible	(27,205)
Depreciation expense	<u>(4,724,144)</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(1,991,335)</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position.” The details of this \$848,866 difference are as follows:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources	\$ 855,169
Net book value of assets retired	<u>(6,303)</u>
Net adjustment to increase <i>net changes in fund balances-total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>848,866</u>

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$198,404 difference are as follows:

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Principal repayments:	
General obligation debt	\$ 967,230
Issuance of governmental loan	<u>(768,826)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 198,404</u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$412,511 difference are as follows:

Compensated Absences	\$ (45,832)
Accrued Interest	18,534
Net OPEB Obligation	(382,657)
Amortization of issuance costs/deferred amount on refunding	<u>(2,556)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (412,511)</u>

Another element of that reconciliation states that “Internal service funds are used by management to charge the costs of fleet management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.” The details of this \$22,644 difference are as follows:

Change in net position of internal service funds	\$ 43,665
Less: Profit from charges to business-type activities	<u>(21,021)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ 22,644</u>

NOTE III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Annual appropriated budgets are adopted for the general fund, special revenue funds and debt service funds not related to special assessments, on the modified accrual basis of accounting. The budgetary basis of accounting differs from generally accepted accounting principles. The city budgets the cemetery fund activity as if it was a special revenue funds. However, GAAP requires this activity to be reported with the general fund, as they do not have significant streams of restricted resources. From a budgetary perspective, the city budgets for the cemetery activity separate from the general fund. The budgetary comparison for the General Fund does not include the managerial fund.

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Capital project funds and special assessment projects are appropriated as projects are scheduled, on the modified accrual basis of accounting. Budgets that are appropriated on a project basis, do not lapse at year-end and carry forward until completion, without an annual reappropriation.

Proprietary funds are budgeted on the full accrual basis for management control purposes only.

Budget amounts shown in the basic financial statements include the original budget amounts and all appropriation transfers and adjustments approved by the mayor or city council, as required. The mayor is authorized to transfer budgeted amounts between departments within the General Fund; however any revisions that alter the total expenditures of a fund or that affect the number of authorized employee positions, salary ranges or other conditions of employment must be approved by the city council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level for all funds except the General Fund. The legal level of budgetary control for the General Fund is at the department level.

When the council wants to amend the budget for a particular fund, it may do so by ordinance, approved by a simple majority. During 2012, one supplemental appropriation was approved that increased the General Fund budget by \$100,000 for the hiring of one firefighter, one supplemental appropriation in the Emergency Management Services for \$150,000 to hire two paramedics, and one supplemental appropriation for \$520,000 for the Friberg Street Construction Fund to cover design and engineering costs of future construction of this street.

The city's budget procedures are mandated by RCW 35A.33. The steps in the budget process are as follows:

1. Prior to November 1, the mayor submits a proposed budget to the city council. This budget is based on priorities established by the council and estimates provided by city departments during the preceding months, and balanced with revenue estimates made by the finance director.
2. The council conducts a public hearing on the proposed budget in November or December.
3. The council makes adjustments to the proposed budget and by ordinance adopts a final balanced budget no later than December 31.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2012, expenditures exceeded appropriations in judicial, personnel, other governmental services, and the parks and recreation departments (the legal level of budgetary control) of the General Fund by \$13,622, \$9,110, \$750 and \$355 respectively. These over expenditures were funded by available fund balance.

Additionally, the Emergency Management Services and the Growth Management major funds exceeded their budgets respectively by \$5,880 and \$172,258. These over expenditures were funded by grant revenues in the Emergency Management Services Fund and by real estate excise tax revenue in the Growth Management Fund.

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C. DEFICIT FUND BALANCE

At December 31, 2012 the City Street Fund had a deficit fund balance of \$288,787 due to the cash collected for unearned revenues in prior years having been spent. Additionally, the NW 38th Street Fund and the Friberg Street Construction Fund had deficit fund balances of \$52,957 and \$125,163 respectively, due to grant revenues not received for costs incurred in December.

NOTE IV. DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

All of the city’s deposits and certificates of deposits are insured either by FDIC, or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission. Total public deposits may not exceed one and one-half times its net worth or 30% of the total public funds on deposit statewide in each qualified public depository. If public deposits exceed either of these limitations, it must collateralize the excess at 100%.

As of December 31, 2012 the city had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. Government Agencies	\$405,638	2.52
Municipal Securities	1,312,004	2.51
Clark County Investment Pool	928,872	1.04
State Treasurer’s Investment Pool	<u>12,334,443</u>	.14
Total fair value	<u>\$14,980,957</u>	
Portfolio weighted average maturity		1.55

Interest rate risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the city’s investment policy limits the maturities to less than three years and the average days to maturity of the portfolio will not exceed two years. The weighted average maturity of the city’s total investment portfolio was 18.6 months at December 31, 2012.

Credit rate risk. The city has no investment policy that would further limit its investment choices. As of December 31, 2012, the city’s investment in the state investment pool was not rated. The city’s investment in Federal Home Loan Mortgage Corporation and Federal Home Loan Bank bonds were rated Aaa by Moody’s Investors Service and AAA by Standard & Poor’s. The city’s investment in municipal securities was rated Aa3 or higher by Moody’s Investors Service or AA by Standard& Poor’s.

Concentration of credit risk. The city’s investment policy states that no more than 75% of the total portfolio may be invested with the Washington State Local Government Investment Pool or Clark County Investment Pool. Further, no more than 25% of the total portfolio will be invested with a single financial institution or in a single security type, with the exception of U.S. Treasury securities and no more than 25% of the total portfolio may be invested with any one Federal agency.

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The fair value of investments is derived from market values provided by the city's securities custodians as of December 31, 2012. Pool shares are valued at one dollar per unit/share, which is the fair value of the shares. The net asset value (NAV) is determined by dividing the value of net position of the pool (assets less liabilities) by the total number of shares outstanding.

The State Treasurer's Investment Pool was created by the Washington State Legislature in 1986 and is administered by the State Treasurer. Additionally, the State Finance Committee adopts and administers appropriate rules relating to the State Treasurer's Investment Pool. The State Treasurer created the Local Government Investment Pool Advisory Committee to give advice on the operation of the pool. The committee is comprised of 12 members selected from active pool participants. Washington statutes and the federal Single Audit Act of 1984 require an annual single audit of the state including the State Treasurer's Office. In addition, the pool contracts with the State Auditor's Office for an outside independent audit of the pool's financial statements.

The Clark County investment pool is not SEC-registered. Authority to manage the investment pool is derived from the Revised Code of Washington (RCW) in 36.29.022. Regulatory oversight is provided by the Finance Committee, which by statute consists of the Treasurer, the Auditor, and the Chair of the Board of County Commissioners. The committee approves the investment policy and makes all appropriate rules and regulations to carry out the provisions of RCW 36.48.010 through 36.48.060.

B. RECEIVABLES

Receivables as of December 31, 2012 for the city's individual major funds, nonmajor, internal services and fiduciary funds in the aggregate, including the applicable allowance for uncollectible accounts, are shown as follows:

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	Taxes	Accounts Receivable	Due from Other Gov'ts	Interest	Total
General Fund	\$ 607,197	\$ 12,836	\$ 231,646	\$ -	\$ 851,679
Emergency Management Services	25,019	245,147	55,539	-	325,705
Growth Management Other	84,434	3,384	-	-	87,818
Governmental Funds	24,977	5,106	99,374		129,457
Water-Sewer	-	1,274,107	-	4,434	1,278,541
Storm Water Drainage	-	145,718	10,876	-	156,594
Sanitary	-	269,433	-	-	269,433
Internal Service	-	6,148	-	-	6,148
Fiduciary	-	-	-	16,242	16,242
Net Receivables	<u>\$ 741,627</u>	<u>\$ 1,961,879</u>	<u>\$ 397,435</u>	<u>\$ 20,676</u>	<u>\$ 3,121,617</u>

* The total net receivables do not agree to the government wide receivables due to the inclusion of the fiduciary funds in the above table.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but have not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable (general fund)	\$ 226,393	\$ -
Property taxes receivable (special revenue fund)	42,690	-
Property taxes receivable (debt service fund)	23,233	-
Developer contributions (non-major special revenue fund)	-	343,878
Court fines receivable (general fund)	207,086	-
Due from other governmental units (special revenue fund)	20,498	-
Accounts receivable (special revenue fund)	166,576	-
Total deferred/unearned revenue for governmental funds	<u>\$ 686,476</u>	<u>\$ 343,878</u>

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C. CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2012 was as follows:

	Beginning Balance 01/01/12	Increases	Decreases	Ending Balance 12/31/12
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 57,089,390	\$ 1,645,398	\$ -	\$ 58,734,788
Construction in progress	177,810	1,814,852	869,392	1,123,270
Total capital assets, not being depreciated	<u>57,267,200</u>	<u>3,460,250</u>	<u>869,392</u>	<u>59,858,058</u>
Capital assets, being depreciated/depleted				
Buildings	15,578,642	148,957	13,131	15,714,468
Improvements other than buildings	8,072,349	50,465	9,329	8,113,485
Machinery and equipment	9,840,606	667,862	433,410	10,075,058
Intangibles	79,486	-	-	79,486
Infrastructure	83,515,718	680,319	-	84,196,037
Total capital assets being depreciated	<u>117,086,801</u>	<u>1,547,603</u>	<u>455,870</u>	<u>118,178,534</u>
Less accumulated depreciation for:				
Buildings	4,405,360	384,176	6,828	4,782,708
Improvements other than buildings	4,041,660	459,324	9,329	4,491,655
Machinery and equipment	6,031,480	664,510	381,760	6,314,230
Intangibles	71,586	7,900	-	79,486
Infrastructure	48,014,397	3,553,654	-	51,568,051
Total accumulated depreciation	<u>62,564,483</u>	<u>5,069,564</u>	<u>397,917</u>	<u>67,236,130</u>
Total capital assets, being depreciated, net	54,522,318	(3,521,961)	57,953	50,942,404
Governmental activities				
capital assets, net	<u>\$ 111,789,518</u>	<u>\$ (61,711)</u>	<u>\$ 927,345</u>	<u>\$ 110,800,462</u>

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	Beginning Balance 01/01/12	Increases	Decreases	Ending Balance 12/31/12
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 953,931	\$ -	\$ -	\$ 953,931
Construction in progress	14,523,720	360,404	14,576,145	307,979
Total capital assets, not being depreciated:	<u>15,477,651</u>	<u>360,404</u>	<u>14,576,145</u>	<u>1,261,910</u>
Capital assets, being depreciated:				
Buildings and system	18,844,976	7,405,089	-	26,250,065
Intangibles	-	14,062	-	14,062
Improvements other than buildings	8,352,836	-	6,300	8,346,536
Machinery and equipment	18,074,663	7,604,119	164,675	25,514,107
Infrastructure	58,178,130	864,346	276,523	58,765,953
Total capital assets, being depreciated	<u>103,450,605</u>	<u>15,887,616</u>	<u>447,498</u>	<u>118,890,723</u>
Less accumulated depreciation for:				
Buildings and system	3,924,771	451,417	-	4,376,188
Intangibles*	-	1,648	-	1,648
Improvements other than buildings	2,456,352	252,410	6,300	2,702,462
Machinery and equipment	6,522,998	599,239	111,057	7,011,180
Infrastructure	14,603,910	1,302,172	43,848	15,862,234
Total accumulated depreciation	<u>27,508,031</u>	<u>2,606,886</u>	<u>161,205</u>	<u>29,953,712</u>
Total capital assets, being depreciated, net	75,942,574	13,280,730	286,293	88,937,011
Business-type activities capital assets, net	<u>\$ 91,420,225</u>	<u>\$ 13,641,134</u>	<u>\$ 14,862,438</u>	<u>\$ 90,198,921</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 83,933
Public safety	240,855
Transportation, including depreciation of general infrastructure assets	3,697,343
Physical environment	4,618
Culture and recreation	697,393
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>345,422</u>
Total depreciation expense—governmental activities	<u>\$5,069,564</u>

CITY OF CAMAS, WASHINGTON
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Business-type activities:

Water-Sewer	\$2,207,980
Storm Water Drainage	<u>398,906</u>
Total depreciation expense—business-type activities	<u>\$2,606,886</u>

Significant Commitments

The city awarded a contract in 2012 for \$2,990,726 to improve the wastewater treatment plant clarifier. The city has spent \$196,293 to date on this contract. The city has awarded three contracts in 2012 for street improvement projects totaling \$1,472,284. \$495,793 has been spent on these contracts. An architect and engineer were on contract as of December 31, 2012 for \$313,788 to design a new community center. \$169,207 has been paid for this service.

Capitalized interest in the amount of \$96,376 was added to the cost of the wastewater treatment plant.

D. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Loans between funds are classified as interfund loans receivable or payable or as advances to and from other funds on the statement of net position. Within the city, one fund may borrow from another when specifically authorized by council resolution. Due to other funds and due from other funds result from work performed or services rendered to or for the benefit of another fund of the same government.

The Emergency Management Services Fund borrowed \$434,939 from the General Fund for cash needs pending the receipt of property taxes. \$350,000 of this balance was paid as of December 31, 2012, leaving a balance of \$84,939. This short term interfund borrowing occurs each year because property taxes that are significant revenue for the Emergency Management Services Fund are only received in May and November. In 2012, the Friberg Street Construction Fund borrowed \$90,000 from the Fireman’s Pension Fund to cover capital outlays until grant funds were received.

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These are transfers to support other funds without a requirement for repayment. The interfund transfer activity for the year is as follows:

Transfers Out:			
Transfers In:	General Fund	Growth Management	Total
General Fund	\$ -	\$ 290,000	\$ 290,000
Nonmajor Governmental Funds	1,051,039	867,983	1,919,022
Total	\$ 1,051,039	\$ 1,157,983	\$ 2,209,022

CITY OF CAMAS, WASHINGTON
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During 2012 no significant non-routine and infrequent transfers were made.

E. RESTRICTED ASSETS

The balances of the restricted asset accounts in the enterprise fund are as follows:

		Amount
Revenue bond debt service account - Water-Sewer	\$	825,047
Public Works Trust Fund WWTP construction - Water-Sewer		2,981,347
Capital reserve account - Water-Sewer		1,053,198
	\$	4,859,592

F. LONG-TERM DEBT

GENERAL OBLIGATION DEBT

Bonds

The city issues general obligation bonds to provide funds for the acquisition and construction of major governmental activity capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 15-20 year serial bonds with almost equal amounts of payments each year. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy; or created by ordinance, adopted by the City Council, and normally financed from general revenues (councilmanic bonds).

General obligation bonds currently outstanding are as follows:

Name & Amount of Issuance	Governmental Purpose	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
2005 Unlimited GO (\$5,432,000)	Refunding	10/11/2005	12/1/2020	3.70%	4,253,000
Total General Obligation Bonds					\$ 4,253,000

\$36,753 is available in the Debt Service Funds to service the general obligation bonds. Annual debt service requirements to maturity for general obligation bonds are as follows:

CITY OF CAMAS, WASHINGTON
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2005 Unlimited Tax GO Refunding Bonds				
	Coupon			Total
	Rates	Principal	Interest	Requirements
2013	3.70	466,000	157,361	623,361
2014	3.70	486,000	140,119	626,119
2015	3.70	500,000	122,137	622,137
2016	3.70	519,000	103,637	622,637
2017	3.70	542,000	84,434	626,434
2018-2020	3.70	1,740,000	130,423	1,870,423
		\$ 4,253,000	\$ 738,111	\$ 4,991,111

Government Loans

The city has also received government loans to provide for construction of capital projects. Government loans outstanding at year-end are as follows:

Name & Amount of Issuance	Purpose	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
<u>Governmental Activities</u>					
1996 P WTF (\$1,350,000)	Capital	8/21/1996	7/1/2016	3.00%	\$ 385,714
1997 P WTF (\$810,000)	Capital	7/1/1997	7/1/2017	3.00%	289,285
2001 P WTF (\$613,731)	Capital	3/26/2001	7/1/2022	0.50%	299,264
2003 P WTF (\$2,350,000)	Capital	5/21/2004	7/1/2023	0.50%	1,583,865
2009 State LOCAL (\$408,840)	Capital	6/23/2009	1/9/2016	4.01%	218,078
2012 P WTF (\$2,600,000)	Capital	12/13/2011	6/1/2031	0.50%	768,827
Governmental Total					3,545,033
<u>Business-type Activities</u>					
1999 P WTF (\$3,195,000)	Water-Sewer	5/5/1999	7/1/2019	1.00%	1,183,644
Comm. Econ. Revital. Board (\$600,000)	Water-Sewer	1/1/2001	1/1/2016	5.85%	204,316
1996 Department of Ecology (EPA) (\$1,185,920)	Water-Sewer	1996	4/17/2017	4.30%	359,473
1998 Department of Ecology (EPA) (\$8,826,516)	Water-Sewer	1998	9/15/2020	4.10%	4,437,643
2007 P WTF (\$1,000,000)	Water-Sewer	8/6/2007	7/1/2027	0.50%	677,085
2008 P WTF (\$160,000)	Water-Sewer	3/4/2008	7/1/2013	0.50%	14,537
2008 P WTF (\$10,000,000)	Water-Sewer	3/7/2008	7/1/2028	0.50%	8,350,881
2009 ARRA (\$1,313,000)	Water-Sewer	4/27/2009	10/1/2032	1.00%	1,188,876
2011 DOE (\$5,168,026)	Water-Sewer	1/10/2011	6/30/2032	2.80%	5,168,026
Business-type Total					21,584,481
<i>Total Government Loans</i>					\$ 25,129,514

CITY OF CAMAS, WASHINGTON
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Government loan debt service requirements to maturity are as follows:

Governmental Activities			
	Principal	Interest	Total Requirements
2013	\$ 431,237	\$ 39,761	\$ 470,998
2014	433,638	33,551	467,189
2015	436,133	25,336	461,469
2016	405,029	17,022	422,051
2017	275,562	10,642	286,204
2018-2022	1,055,266	28,202	1,083,468
2023-2027	346,310	7,802	354,112
2028-2031	161,858	2,022	163,880
	\$ 3,545,033	\$ 164,338	\$ 3,709,371

Business-type Activities			
	Principal	Interest	Total Requirements
2013	\$ 1,531,368	\$ 472,322	\$ 2,003,690
2014	1,632,981	381,783	2,014,764
2015	1,665,863	343,764	2,009,627
2016	1,700,086	304,404	2,004,490
2017	1,632,586	263,650	1,896,236
2018-2022	6,556,169	811,968	7,368,137
2023-2027	4,569,622	399,854	4,969,476
2028-2032	2,295,806	117,114	2,412,920
	\$ 21,584,481	\$ 3,094,859	\$ 24,679,340

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Annual debt service requirements to maturity for each of the individual governmental loans are as follows:

1996 Public Works Trust Fund Loan-Parker St

	Total		
	Principal	Interest	Requirements
2013	\$ 96,429	\$ 11,571	\$ 108,000
2014	96,429	8,678	105,107
2015	96,428	5,785	102,213
2016	96,428	2,893	99,321
	<u>\$ 385,714</u>	<u>\$ 28,927</u>	<u>\$ 414,641</u>

1997 Public Works Trust Fund Loan-Parker St.

	Total		
	Principal	Interest	Requirements
2013	\$ 57,857	\$ 8,679	\$ 66,536
2014	57,857	6,943	64,800
2015	57,857	5,207	63,064
2016	57,857	3,471	61,328
2017	57,857	1,736	59,593
	<u>\$ 289,285</u>	<u>\$ 26,036</u>	<u>\$ 315,321</u>

2001 Public Works Trust Fund Loan-SE 1st Ave

	Total		
	Principal	Interest	Requirements
2013	\$ 33,252	\$ 1,496	\$ 34,748
2014	33,252	1,330	34,582
2015	33,252	1,164	34,416
2016	33,252	998	34,250
2017	33,252	831	34,083
2018-2021	133,004	1,663	134,667
	<u>\$ 299,264</u>	<u>\$ 7,482</u>	<u>\$ 306,746</u>

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2003 Public Works Trust Fund Loan-SE 1st Ave

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013 \$	143,988	\$ 7,919	\$ 151,907
2014	143,988	7,199	151,187
2015	143,988	6,479	150,467
2016	143,988	5,760	149,748
2017	143,988	5,040	149,028
2018-2022	719,937	14,400	734,337
2023	143,988	720	144,708
	<u>\$ 1,583,865</u>	<u>\$ 47,517</u>	<u>\$ 1,631,382</u>

2009 Local Option Capital Asset Lending (LOCAL) Loan

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013 \$	59,247	\$ 8,159	\$ 67,406
2014	61,647	5,759	67,406
2015	64,144	3,262	67,406
2016	33,040	663	33,703
	<u>\$ 218,078</u>	<u>\$ 17,843</u>	<u>\$ 235,921</u>

2012 Public Works Trust Fund Loan-38th St

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013 \$	40,464	\$ 1,937	\$ 42,401
2014	40,465	3,642	44,107
2015	40,464	3,439	43,903
2016	40,464	3,237	43,701
2017	40,465	3,035	43,500
2018-2022	202,320	12,139	214,459
2023-2027	202,325	7,082	209,407
2028-2031	161,860	2,022	163,882
	<u>\$ 768,827</u>	<u>\$ 36,533</u>	<u>\$ 805,360</u>

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1999 Public Works Trust Fund Loan-WWTP Upgrade

	<u>Principal</u>		<u>Interest</u>		<u>Total</u> <u>Requirements</u>
2013 \$	169,092	\$	11,836	\$	180,928
2014	169,092		10,146		179,238
2015	169,092		8,455		177,547
2016	169,092		6,764		175,856
2017	169,092		5,073		174,165
2018-2019	338,184		5,573		343,757
\$	<u>1,183,644</u>	\$	<u>47,847</u>	\$	<u>1,231,491</u>

2001 Community Economic Revitalization Board

	<u>Principal</u>		<u>Interest</u>		<u>Total</u> <u>Requirements</u>
2013 \$	46,809	\$	11,952	\$	58,761
2014	49,547		9,214		58,761
2015	52,446		6,315		58,761
2016	55,514		3,247		58,761
\$	<u>204,316</u>	\$	<u>30,728</u>	\$	<u>235,044</u>

1996 Department of Ecology (EPA) Loan-STP

	<u>Principal</u>		<u>Interest</u>		<u>Total</u> <u>Requirements</u>
2013 \$	74,044	\$	14,670	\$	88,714
2014	77,262		11,452		88,714
2015	80,620		8,094		88,714
2016	84,124		4,590		88,714
2017	43,423		934		44,357
\$	<u>359,473</u>	\$	<u>39,740</u>	\$	<u>399,213</u>

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1998 Department of Ecology (EPA) Loan-STP

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013 \$	479,176	\$ 177,082	\$ 656,258
2014	499,024	157,234	656,258
2015	519,693	136,565	656,258
2016	541,219	115,039	656,258
2017	563,637	92,621	656,258
2018-2020	<u>1,834,894</u>	<u>133,879</u>	<u>1,968,773</u>
	<u>\$ 4,437,643</u>	<u>\$ 812,420</u>	<u>\$ 5,250,063</u>

2007 Public Work Trust Fund Loan-WWTP Design

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013 \$	45,139	\$ 3,385	\$ 48,524
2014	45,139	3,160	48,299
2015	45,139	2,934	48,073
2016	45,139	2,708	47,847
2017	45,139	2,483	47,622
2018-2022	225,695	9,028	234,723
2023-2027	<u>225,695</u>	<u>3,385</u>	<u>229,080</u>
	<u>\$ 677,085</u>	<u>\$ 27,084</u>	<u>\$ 704,168</u>

2008 Public Work Trust Fund Loan-NW 38th Ave

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013 \$	<u>14,537</u>	<u>\$ 73</u>	<u>\$ 14,610</u>

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2008 Public Work Trust Fund Loan-WWTP Construction

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013	\$ 521,930	\$ 41,754	\$ 563,684
2014	521,930	39,145	561,075
2015	521,930	36,535	558,465
2016	521,930	33,925	555,855
2017	521,930	31,316	553,246
2018-2022	2,609,650	117,434	2,727,084
2023-2027	2,609,650	52,193	2,661,843
2028	521,931	2,610	524,541
	<u>\$ 8,350,881</u>	<u>\$ 354,912</u>	<u>\$ 8,705,793</u>

2009 ARRA Loan-Well # 14

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013	\$ 30,168	\$ 12,197	\$ 42,365
2014	60,985	11,587	72,572
2015	60,985	10,977	71,962
2016	60,985	10,367	71,352
2017	60,985	9,758	70,743
2018-2022	304,925	39,640	344,565
2023-2027	304,924	24,394	329,318
2028-2032	304,919	9,148	314,067
	<u>\$ 1,188,876</u>	<u>\$ 128,068</u>	<u>\$ 1,316,944</u>

CITY OF CAMAS, WASHINGTON
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2011 Department of Ecology Loan

	Principal	Interest	Total Requirements
2013 \$	150,474	\$ 199,373	\$ 349,847
2014	210,002	139,845	349,847
2015	215,958	133,889	349,847
2016	222,083	127,764	349,847
2017	228,382	121,465	349,847
2018-2022	1,242,821	506,414	1,749,235
2023-2027	1,429,353	319,882	1,749,235
2028-2032	1,468,953	105,356	1,574,309
	\$ 5,168,026	\$ 1,653,988	\$ 6,822,014

REVENUE BONDS

The city also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are created by ordinance, adopted by the city council and financed from enterprise fund revenues. The original amount of revenue bonds issued in prior years was \$9,890,000. The water sewer revenue bonds are issued to finance capital projects. Revenue bonds outstanding at year-end are as follows:

Name & Amount of Issuance	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
1998 Water Sewer Refunding (\$4,370,000)	10/28/1998	4/1/2016	3.5% to 4.45%	\$ 1,690,000
2007 Water Sewer (\$5,520,000)	9/6/2007	12/1/2026	4.25% to 5.00%	4,460,000
<i>Total Revenue Bonds</i>				\$ 6,150,000

Revenue bond debt service requirements to maturity are as follows:

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Revenue Bonds			
	Principal	Interest	Total Requirements
2013	\$ 625,000	\$ 270,493	\$ 895,493
2014	655,000	241,681	896,681
2015	685,000	211,195	896,195
2016	715,000	185,348	900,348
2017	280,000	162,335	442,335
2018-2022	1,620,000	557,920	2,177,920
2023-2026	1,570,000	260,060	1,830,060
	\$ 6,150,000	\$ 1,889,032	\$ 8,039,032

\$820,613 is available in the reserve account of the Water-Sewer Fund as a permanent reserve for the life of the bonds. Annual debt service requirements to maturity for each of the individual revenue bonds are as follows:

1998 Water-Sewer Refunding Bond				
	Coupon Rates	Principal	Interest	Total Requirements
2013	4.20	\$ 395,000	\$ 65,283	\$ 460,283
2014	4.35	415,000	47,971	462,971
2015	4.40	430,000	29,485	459,485
2016	4.45	450,000	10,013	460,013
		\$ 1,690,000	\$ 152,752	\$ 1,842,752

2007 Water-Sewer Bond				
	Coupon Rates	Principal	Interest	Total Requirements
2013	4.25	\$ 230,000	\$ 205,210	\$ 435,210
2014	5.00	240,000	193,710	433,710
2015	5.00	255,000	181,710	436,710
2016	5.00	265,000	168,960	433,960
2017	5.00	280,000	155,710	435,710
2018-2022	5-4.5	1,620,000	563,830	2,183,830
2023-2026	4.3-4.4	1,570,000	176,295	1,746,295
		\$ 4,460,000	\$ 1,645,425	\$ 6,105,425

The city is required by revenue bond indenture ordinances to maintain debt service coverage of its revenue bonded debt of at least 1.25. Total operating revenues less operating expenses, not including depreciation and amortization, must be at least 1.25 times the maximum principal and interest due in any one year until date of retirement of

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the bonds. Debt service coverage from operating revenues for the year ended December 31, 2012 was 5.23.

COMPENSATED ABSENCES

Accumulated amounts of vacation and sick leave are accrued as an expenditure when incurred in Proprietary Funds, but only the amount of reimbursable unused vacation leave payable to employees who have terminated their employment as of the end of the fiscal year is shown as a liability in governmental funds. The remainder of the liability is reported in the governmental activities column of the statement of net position.

As of December 31, 2012, the recorded liability on the government-wide statements for vacation and sick leave is \$1,741,163, with \$1,487,931 recorded in governmental activities and \$253,232 in business-type activities. City employees receive vacation and sick leave time at monthly rates established by city ordinance or union agreement. Vacation is accrued monthly by employees at annual rates ranging from 8 to 30 days depending upon tenure and union agreements with a maximum accrual limit of 50 days. Sick leave accruals vary, depending upon union agreement, between 8 and 18 hours per month. Vacation pay is paid upon termination or retirement, and 25% of sick pay is paid upon retirement.

CHANGES IN LONG-TERM LIABILITIES

The following is a summary of long-term debt changes of the city for the year:

	Beginning			Ending	Due Within
	Balance	Additions	Reductions	Balance	One Year
Governmental activities					
General obligation bonds	\$ 4,703,000	\$ -	\$ 450,000	\$ 4,253,000	\$ 466,000
Government loans	3,293,437	768,826	517,230	3,545,033	431,237
Net OPEB obligation	1,577,796	442,717	58,022	1,962,491	-
Compensated absences	1,425,088	1,242,885	1,180,042	1,487,931	7,325
Governmental activity					
long-term liabilities	<u>\$ 10,999,321</u>	<u>\$ 2,454,428</u>	<u>\$ 2,205,294</u>	<u>\$ 11,248,455</u>	<u>\$ 904,562</u>
Business-type activities					
Revenue bonds	\$ 6,750,000	\$ -	\$ 600,000	\$ 6,150,000	\$ 625,000
Less deferred amounts					
For issuance premiums					
(discounts) on refunding	87,434	-	5,104	82,330	5,104
Total bonds payable	<u>6,837,434</u>	<u>-</u>	<u>605,104</u>	<u>6,232,330</u>	<u>630,104</u>
Government loans	20,578,261	2,318,810	1,312,590	21,584,481	1,531,368
Net OPEB Obligation	88,183	12,194	13,617	86,760	-
Compensated absences	281,726	166,959	195,453	253,232	25,323
Business-type activity					
long-term liabilities	<u>\$ 27,785,604</u>	<u>\$ 2,497,963</u>	<u>\$ 2,126,764</u>	<u>\$ 28,156,803</u>	<u>\$ 2,186,795</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end internal service funds compensated absences of \$73,251 and OPEB liability of \$10,844. Also, for the governmental activities, claims and judgments,

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compensated absences and net other post-employment benefit obligations are generally liquidated by operating funds, such as the General Fund, Street Fund, and the Emergency Management Services Fund.

The city's legal limit of indebtedness is 1½% of assessed property value without a vote of the taxpayers and 2½% with a vote of the taxpayers. At December 31, 2012, the remaining nonvoted and voted remaining capacity was \$36,137,093 and \$57,143,054, respectively.

NOTE V. OTHER DISCLOSURES

A. RISK MANAGEMENT

The city is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 153 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stopgap and employee benefits liability. Limits are \$4 million per occurrence self insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The City's Finance Director is a current member of the Executive Committee. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day-to-day operations of WCIA.

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B. PROPERTY TAXES

The county treasurer bills and collects all property taxes and remits the city's share once daily. Property taxes are recognized when levied, and measurable and available to finance expenditures of the current period. Property taxes not available to finance the current period are disclosed as deferred revenue on the balance sheet.

The city maintains a designated fund balance to assure the general fund remains solvent during the fiscal year. The balance is necessitated by the fact that the city depends on property tax more than most cities for general government revenue. Large property tax payments are received in May and November.

- A city is permitted by law to levy up to \$3.375 per \$1,000 of assessed valuation for general governmental services and an additional 22.5 cents per \$1,000 if the city has a firemen's pension fund.
- The city's regular levy for 2012 was \$3.6 per \$1,000 on an assessed valuation of \$2.54 (billion) for a total regular levy of \$9,142,198.
- Washington State Constitution and Washington State law, RCW 84.55.010, limit the levy rate.

Special levies approved by the voters are not subject to the limitations described above. In 2012, the city levied an additional \$.35 per \$1,000 to provide emergency medical services for a total additional levy of \$888,825. Further, in 2012, the city levied an additional \$.25 for payment of library bonds for a total additional levy of \$624,003.

C. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Substantially all City of Camas full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statement 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

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PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) PLANS 1, 2 AND 3

Plan Description:

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in the Judicial Retirement System); employees of legislative committees; community and technical colleges, college and university employees not participating in higher education retirement programs; judges of district and municipal courts; and employees of local governments. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

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PERS Plan 1 members are vested after the completion of five years of eligible service.

Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. AFC is the monthly average of the 24 consecutive highest-paid service credit months.

The monthly benefit is subject to a minimum for retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. If a survivor option is chosen, the benefit is reduced. Plan 1 members retiring from inactive status prior to the age of 65 may also receive actuarially reduced benefits. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

The survivor of a PERS Plan 1 member who dies after having earned ten years of service credit has the option, upon the member's death, of either a monthly survivor benefit or the lump sum of contributions plus interest.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The

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benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65; or.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. The surviving spouse or eligible child(ren) of a PERS Plan 2 member who dies after having earned ten years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 investments are made in the same portfolio as that of the PERS 2/3 defined benefit plan.

For DRS' fiscal year 2012, PERS Plan 3 employee contributions were \$95.2 million, and plan refunds paid out were \$66.2 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.

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- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions.

PERS Plan 2 and Plan 3 members who become totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible child(ren), may request interruptive military service credit.

PERS Plan 2 and Plan 3 members can purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Director of the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be

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capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Members who chose to participate would: accrue service credit at the higher multiplier beginning with the date of their election; be subject to the benefit cap of 75 percent of AFC; stop contributing to the Judicial Retirement Account (JRA); pay higher contributions; and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; not be subject to a benefit cap; continue to participate in JRA, if applicable; continue to pay contributions at the regular PERS rate; and never be a participant in the JBM Program.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,184 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

Retirees and Beneficiaries Receiving Benefits	79,363
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	29,925
Active Plan Members Vested	105,578
Active Plan Members Nonvested	46,839
Total	261,705

Funding Policy:

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent, based on member choice. Two of the options are graduated rates dependent on the employee's age.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

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The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012, are as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	7.21%**	7.21%**	7.21%***
Employee	6.00%****	4.64%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for state elected officials is 10.74% for Plan 1 and 7.21% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.

***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the city and the employees made the required contributions. The city's required contributions for the years ending December 31 were as follows:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
2012	\$9,119	\$401,113	\$45,285
2011	7,814	350,598	37,015
2010	15,626	297,822	26,955

LAW ENFORCEMENT OFFICERS' AND FIREFIGHTERS' (LEOFF) PLANS 1 AND 2

Plan Description:

The Legislature established LEOFF in 1970. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by

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September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' fiscal year 2012, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings upon separation from LEOFF-covered employment.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

<u>Term of Service</u>	<u>Percent of Final Average</u>
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while

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disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability benefit or service retirement benefit.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

LEOFF Plan 2 members are vested after the completion of five years of eligible service.

Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the FAS per year of service. (FAS is based on the highest consecutive 60 months). Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53.

A disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are catastrophically disabled in the line of duty and incapable of future substantial gainful employment in any capacity. Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement benefit of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit.

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LEOFF Plan 2 members can receive service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while serving in the uniformed services, or a surviving spouse or eligible child(ren), may request interruptive military service credit.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries. Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington state Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Legislation passed in 2009 provides to the Washington-state-registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

There are 373 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

Retirees and Beneficiaries Receiving Benefits	9,947
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	656
Active Plan Members Vested	13,942
Active Plan Members Non-vested	<u>3,113</u>
Total	<u><u>27,568</u></u>

Funding Policy:

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. LEOFF Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this

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funding requirement could be returned to the employers by a change of statute. For DRS' fiscal year 2012, the state contributed \$52.8 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012, are as follows:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
Employer*	.16%	5.24%**
Employee	0.00%	8.46%
State	N/A	3.38%

*The employer rates include the employer administrative expense fee currently set at 0.16%.

**The employer rate for ports and universities is 8.62%.

Both the city and the employees made the required contributions. The city's required contributions for the years ending December 31 were as follows:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
2012	\$0	\$302,222
2011	0	288,854
2010	0	296,417

CITY OF CAMAS FIREMAN'S PENSION FUND

The city is the administrator of a single employer defined benefit pension plan, the Firemen's Pension Fund. The plan is limited to firefighters and beneficiaries employed before March 1, 1970, and as of March 1, 1970, the plan was closed to new entrants. Firefighters hired before March 1, 1970 at retirement receive the greater of the pension benefit provided under this plan or under the LEOFF plan. Any excess benefit over the LEOFF benefit is provided by the city plan. The plan presently has three individuals retired under the LEOFF plan, but drawing excess benefits from this plan. There are no current retirees for this plan. All future obligations of the Firemen's Pension Fund were assumed by the state pension system, LEOFF.

The Fireman's Pension Fund investment balance consists of \$1,347,070 in US government issued or guaranteed investments with the fair values determined by marked quotations as of December 31, 2011, and as reported by fund managers.

A recent actuarial survey has not been done because annual benefits are approximately \$15,000 and the net position held in trust for pension benefits are over \$2,500,000. However, the last actuarial survey indicated that there was no accrued liability in the system. Furthermore, there was no preparation of the schedules of funding progress and employer contributions because future funding and contributions by the city is not necessary.

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D. POST RETIREMENT HEALTH CARE PROGRAM (OPEB)

Plan Description:

In addition to the pension benefits described, the city administers a Post-Retirement Health Care Program under a single-employer defined benefit Other Post Employment Benefit (OPEB) plan. This plan provides two basic benefits:

Pre-65 Medical Coverage: The city provides post-retirement health premium benefits continue from retirement until Medicare eligibility for employees retiring with at least 10 years of service, under the provision of the applicable PERS or LEOFF II retirement plan. Eligibility for these benefits is determined by the particular bargaining agreements. These benefits are provided as per requirements of a local ordinance. The city's regular health care benefit providers underwrite the retiree's policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

As of year-end, there were thirteen employees who had retired and were receiving these benefits.

LEOFF I Healthcare Reimbursements: The city provides health insurance benefits for retired public safety employees. Substantially all city LEOFF I employees may become eligible for these benefits if they reach normal retirement age while working for the city. These benefits are provided by the city in order to meet state statutory requirements under the LEOFF I system whereby the city will pay for their medical premiums for life.

At December 31, 2012, there are sixteen participants who have retired and receive these benefits.

This OPEB plan does not issue a stand-alone financial report nor is it included in the report of another entity.

Funding Policy:

This plan is not currently funded. It is financed on a pay-as-you-go basis.

The city pays the medical insurance premiums on plan members of the pre-65 medical coverage. Qualified spouses and children may qualify for coverage; however, the plan member must pay the entire dependent premium in return for this coverage. Obligations of the employees and city may be amended through the related employee bargaining agreements.

Under the LEOFF I Healthcare Reimbursements, the plan member has no required contributions. Amendments to the plan may be made through State statute.

The city was required to contribute \$616,800, but only contributed \$233,528 at December 31, 2012. This \$233,528 contributed differs from the Annual Required Contribution (ARC) because the plan is financed on a pay-as-you-go-basis. The difference between the OPEB costs and the required contribution is called the Net OPEB Obligation (NOO). The amount of \$2,049,251 is the actuarial accrued liability recognized on the government wide statement of net position. \$1,962,491 and \$86,760 is

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recognized as a liability on the governmental activities and a business type statement of net position, respectively.

As of the most recent actuarial valuation date, January 1, 2011, the total unfunded actuarial liability (UAAL) is \$8,027,014. The covered payroll (annual payroll of active employees covered by the plan) was \$7,161,014 and the ratio of the UAAL to the covered payroll was 112 percent.

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation is as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
2012	\$ 616,800	38%	\$ 2,049,251
2011	603,928	36%	1,665,979
2010	569,574	36%	1,279,341

Annual OPEB Cost and Net OPEB Obligation:

The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determine in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the city's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the city's net OPEB obligation.

Actuarial Required Contribution (ARC 12/31/12)	\$ 630,544
Interest on Net OPEB Obligation (NOO)	66,639
Adjustment to NOO	(80,383)
Annual OPEB Cost	616,800
Employer Contributions	233,528
Increase (Decrease) in NOO	383,272
Net OPEB Obligation - Beginning of Year	1,665,979
Net OPEB Obligation - Ending of Year	\$ 2,049,251

Actuarial Methods and Assumptions:

The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about retirement ages, mortality and the healthcare cost trend. The actuarially determined amounts are subject to continual revision as actual results are

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2012

compared to past expectations and new estimates are made about the future. The required schedule of funding progress, presented as required supplementary information immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additionally, calculations are based on the types of benefits provided under the terms of the plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. Actuarial calculations reflect a long-term perspective. The specific actuarial methods and significant assumptions used to determine the ARC for the current year are as follows:

	Pre-65 Medical	LEOFF I
Valuation Date	1/1/2011	1/1/2011
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit
Method used to determine the actuarial value of assets	N/A	N/A
Interest Rate for Discounting Future Liabilities	4.00%	4.00%
Projected Payroll Growth	3.75%	3.75%
Inflation Rate	3.00%	3.00%
Investment Return	N/A	N/A
Healthcare Cost Trend Rate – Initial	9%	9%
Healthcare Cost Trend Rate – Ultimate	5%	5%
Amortization Method	Level Dollar	Level Dollar
Amortization Period - Closed	26	15

E. FEDERAL FINANCIAL ASSISTANCE

The city recorded the following federal grant revenues and loans for 2012.

Federal Catalog No.	Government	Program	Amount
14.218	Dept. of H.U.D.	Community Development Block Grant	\$ 205,681
16.607	Dept. of Justice	Bulletproof Vest Partnership	592
20.205	Dept. of Transportation	ARRA – Highway Planning and Construction	439,402
20.600	Dept. of Transportation	State and Community Highway Safety	2,715
45.310	Inst of Museum and Library Services	Grants to States-	1,150
81.128	Dept of Energy	ARRA - Street Lighting	78,401
97.067	Homeland Security	Homeland Security Grant Program	9,519
97.078	Homeland Security	Buffer Zone Protection Program	7,084
97.083	Homeland Security	Staffing for Adequate Fire and Emergency Response	70,853
Total Federal Financial Assistance			<u>\$815,397</u>

F. CONTINGENT LIABILITIES

The city participates in a number of federal and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2012

requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

G. PRIOR PERIOD ADJUSTMENT

At December 31, 2012 the city recognized a prior period adjustment of \$138,464 on the Statement of Revenues, Expenditures and Changes to Fund Balances and the Statement of Activities for an error in the presentation of contributions received from land developers for future street improvements.

H. SUBSEQUENT EVENTS

On January 9, 2013, the Drinking Water State Revolving Fund authorized \$603,347 or 50% of the ARRA loan of \$1,219,694 for Well #14 project as forgivable principal reducing the total outstanding loan to \$585,529.

On February 4, 2013, the city council authorized an interfund loan to the Emergency Management Services Fund from the Firemen's Pension Fund in the amount of \$350,000 to meet operating expenses during 2013 until property taxes and other revenues are collected and expenditures are reduced.

On August 9, 2012, the city received a twenty year loan for \$3,740,000 at .50% interest from the Washington State Department of Commerce to assist with partial financing for the construction of a sanitary sewer transmission main with anticipated construction costs of \$4,400,000. As of December 31, 2012 no draw downs had been made on this loan by the city, therefore this debt is not shown on the financial statements. Annual debt service payments will commence in 2014.

On August 9, 2012, the city received a twenty year loan for \$2,040,000 at .50% interest from the Washington State Department of Commerce to assist with partial financing for the construction of a 2 million gallon water reservoir with anticipated construction costs of \$2,400,000. As of December 31, 2012 no draw downs had been made on this loan by the city, therefore this debt is not shown on the financial statements. Annual debt service payments will commence in 2014.

On August 27, 2012, the city received a twenty-four year loan of \$7,920,792 at 1% interest from the Drinking Water State Revolving Fund to finance the construction of a pressure zone surface water supply project with anticipated total construction costs of \$8,000,000. At construction completion, \$819,190 of this loan will be forgivable and will reduce the amount of the loan outstanding by this amount. As of December 31, 2012 no draw downs had been made on this loan by the city, therefore this debt is not shown on the financial statements. Annual debt service payments are anticipated to commence October 1, 2015.

On January 22, 2013, the Washington State Department of Commerce has approved and funded, but a contract has not been signed yet for a \$300,000 five year loan to the city to assist in financing the design to reconstruct and improvement of 4500 linear feet of NW Friberg Street and NW Goodwin Road including installation of a new traffic signal. The

CITY OF CAMAS, WASHINGTON
Notes To Financial Statements
December 31, 2012

total anticipated design cost is \$900,000. Annual debt service payments are anticipated to commence 2016.

On February 19, 2013, the Washington State Department of Commerce has approved and funded, but a contract has not been signed yet for a \$1,500,000 twenty year loan to the city to assist with partial financing of the construction costs of reconstruction and improvements of 4500 linear feet of NW Friberg Street and NW Goodwin Road including installation of a new traffic signal. The anticipated construction cost is \$4,950,000. Debt service typically commences upon completion of the project.

On February 19, 2013, the Washington State Department of Commerce has approved and funded, but a contract has not been signed yet for a \$1,750,000 twenty year loan to the city to finance significant capital improvements of NW 6th Avenue including possible installation of a new traffic signal. The anticipated construction cost is \$1,750,000. Debt service typically commences upon completion of the project.

I. ACCOUNTING AND REPORTING CHANGES

The City implemented GASB 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position. This renamed the *Statement of Net Assets* to the *Statement of Net Position*. Likewise the *Statement of Revenues, Expenses and Changes in Net Assets* was re-titled to "*Statement of Revenues, Expenses and Changes in Net Position*." All references to *net asset* accounts were changed to *net position*.

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Required Supplementary
Information

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CITY OF CAMAS, WASHINGTON
 Required Supplementary Information
 Other Postemployment Benefits Plan
 Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liabilities (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b- a)/c)
1/1/2007	\$ -	\$ 5,966,966	\$ 5,966,966	0.00%	\$ 7,078,470	84.30%
1/1/2009	-	7,181,555	7,181,555	0.00%	7,482,708	95.98%
1/1/2011	-	8,027,014	8,027,014	0.00%	7,161,601	112.08%

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Combining and Individual
Fund Financial Statements
and Schedules

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Governmental Funds

Special Revenue Funds

Hotel Motel Lodging Tax Fund – This fund was created in 2009 to account for the collection of a 2% hotel motel lodging excise tax and to account for the specific use of those revenues as allowed by R.C.W. 67.28.

City Street Fund – This fund is supported by general taxes and state gas tax. All maintenance and improvements of streets are paid from this fund. R.C.W. 47.24.040 provides for the creation of a city street fund.

Debt Service Funds

Unlimited Tax Redemption Fund - The bond issues served by this fund were voted by a 3/5 majority of the voters and as such may be retired with tax levies without regard to tax limits.

Limited Tax Redemption Fund - The 1996 General Obligation and Refunding Bonds and interest must be paid from this fund. Annual levies of general tax money are appropriated in this fund to pay the annual interest and bonds due. Debt service must be paid by annual levies within the regular levy permitted for general tax purposes, without a vote of the people.

Capital Project Funds

NW 38th Street Construction Fund – This fund was created in 2012 to account for the construction of NW 38th Avenue connecting to SE 20th Street in the City of Vancouver.

Friberg Street Construction Fund – This fund was created in 2012 to account for reconstruction of a 22' wide rural road to an urban standard roadway along NW Friberg Street from NW Lake Road to NE 13th Street.

Community Center Capital Project Fund – This fund was established in 2010 to accept donations designated for the construction of a new community center to be built in the future.

Growth Management Fund – This fund accounts for purchase and construction of capital facilities. Dedicated impact fees, real estate excise taxes and grant revenues finance this activity.

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CITY OF CAMAS, WASHINGTON

Nonmajor Governmental Funds

Combining Balance Sheet

December 31, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets:				
Cash and Cash Equivalents	\$ 89,567	\$ 36,753	\$ 303,105	\$ 429,425
Property Taxes Receivables	-	24,977	-	24,977
Accounts Receivable (net)	5,106	-	-	5,106
Due from Other Governmental Units	9,972	-	89,402	99,374
Total Assets	<u>\$ 104,645</u>	<u>\$ 61,730</u>	<u>\$ 392,507</u>	<u>\$ 558,882</u>
	-			
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 38,972	\$ -	\$ 126,485	\$ 165,457
Interfund Loan Payable	-	-	90,000	90,000
Deferred Revenue	343,878	23,233	-	367,111
Total Liabilities	<u>382,850</u>	<u>23,233</u>	<u>216,485</u>	<u>622,568</u>
Fund Balances:				
Restricted				
Tourism	10,582	-	-	10,582
Debt Service	-	38,497	-	38,497
Committed - Culture and Recreation	-	-	354,142	354,142
Assigned	-	-	-	-
Unassigned	(288,787)	-	(178,120)	(466,907)
Total Fund Balances	<u>(278,205)</u>	<u>38,497</u>	<u>176,022</u>	<u>(63,686)</u>
Total Liabilities and Fund Balances	<u>\$ 104,645</u>	<u>\$ 61,730</u>	<u>\$ 392,507</u>	<u>\$ 558,882</u>

CITY OF CAMAS, WASHINGTON
 Nonmajor Governmental Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 For the fiscal year ended December 31, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:				
Property Taxes	\$ -	\$ 635,830	\$ -	\$ 635,830
Sales and Use Taxes	6,316	-	-	6,316
Intergovernmental	607,500	-	439,402	1,046,902
Charges for Services	258	-	-	258
Interest Earnings	12	-	963	975
Miscellaneous	18,154	-	-	18,154
Total Revenues	<u>632,240</u>	<u>635,830</u>	<u>440,365</u>	<u>1,708,435</u>
Expenditures:				
Current:				
Physical Environment	-	-	-	-
Transportation	1,462,017	-	-	1,462,017
Economic Environment	2,800	-	-	2,800
Capital Outlay	492,836	-	1,422,002	1,914,838
Debt Service				
Principal Retirement	-	967,230	-	967,230
Interest/Fiscal Charges	-	220,301	-	220,301
Total Expenditures	<u>1,957,653</u>	<u>1,187,531</u>	<u>1,422,002</u>	<u>4,567,186</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,325,413)	(551,701)	(981,637)	(2,858,751)
Other Financing Sources (Uses):				
Intergovernmental Loan Proceeds	-	-	768,826	768,826
Insurance Recoveries	20,166	-	-	20,166
Transfers In	1,319,848	563,520	35,654	1,919,022
Transfers Out	-	-	-	-
Total Other Financing Sources and Uses	<u>1,340,014</u>	<u>563,520</u>	<u>804,480</u>	<u>2,708,014</u>
Net Change in Fund Balances	14,601	11,819	(177,157)	(150,737)
Fund Balances at Beginning of Year	(431,270)	26,678	353,179	(51,413)
Prior Period Adjustment	138,464	-	-	138,464
Fund Balances at End of Year	<u>\$ (278,205)</u>	<u>\$ 38,497</u>	<u>\$ 176,022</u>	<u>\$ (63,686)</u>

CITY OF CAMAS, WASHINGTON

Nonmajor Special Revenue Funds

Combining Balance Sheet

December 31, 2012

	<u>Hotel Motel Lodging Tax</u>	<u>City Street</u>	<u>Total Nonmajor Special Revenue Funds</u>
Assets:			
Cash and Cash Equivalents	\$ 10,582	\$ 78,985	\$ 89,567
Accounts Receivable (net)	-	5,106	5,106
Due from Other Governmental Units	-	9,972	9,972
Total Assets	<u>\$ 10,582</u>	<u>\$ 94,063</u>	<u>\$ 104,645</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts Payable	\$ -	\$ 38,972	\$ 38,972
Deferred Revenue	-	343,878	343,878
Total Liabilities	<u>-</u>	<u>382,850</u>	<u>382,850</u>
Fund Balances:			
Restricted			
Tourism	10,582	-	10,582
Assigned	-	-	-
Unassigned		(288,787)	(288,787)
Total Fund Balances	<u>10,582</u>	<u>(288,787)</u>	<u>(278,205)</u>
Total Liabilities and Fund Balances	<u>\$ 10,582</u>	<u>\$ 94,063</u>	<u>\$ 104,645</u>

CITY OF CAMAS, WASHINGTON
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
For the fiscal year ended December 31, 2012

	Hotel Motel Lodging Tax	City Street	Total Nonmajor Special Revenue Funds
Sales and Use Taxes	\$ 6,316	-	\$ 6,316
Intergovernmental	-	607,500	607,500
Charges for Services	-	258	258
Interest Earnings	12	-	12
Miscellaneous	-	18,154	18,154
Total Revenues	<u>6,328</u>	<u>625,912</u>	<u>632,240</u>
Due from Other Governmental Units			
Expenditures:			
Current:			
Physical Environment	-	-	-
Transportation	-	1,462,017	1,462,017
Economic Environment	2,800	-	2,800
Capital Outlay	-	492,836	492,836
Total Expenditures	<u>2,800</u>	<u>1,954,853</u>	<u>1,957,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,528	(1,328,941)	(1,325,413)
Other Financing Sources (Uses)			
Insurance Recoveries	-	20,166	20,166
Transfers In	-	1,319,848	1,319,848
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,340,014</u>	<u>1,340,014</u>
Special Items:			
Net Change in Fund Balances	3,528	11,073	14,601
Fund Balances at Beginning of Year	7,054	(438,324)	(431,270)
Prior period adjustment	-	138,464	138,464
Fund Balances at End of Year	<u>\$ 10,582</u>	<u>(288,787)</u>	<u>\$ (278,205)</u>

CITY OF CAMAS, WASHINGTON

Nonmajor Debt Service Funds

Combining Balance Sheet

December 31, 2012

	Unlimited Tax Redemption	Limited Tax Redemption	Total Nonmajor Debt Service Funds
Assets:			
Cash and Cash Equivalents	\$ 28,542	\$ 8,211	\$ 36,753
Property Taxes Receivable	17,216	7,761	24,977
Total Assets	<u>\$ 45,758</u>	<u>\$ 15,972</u>	<u>\$ 61,730</u>
Liabilities and Fund Balances:			
Liabilities:			
Deferred Revenue	\$ 15,754	\$ 7,479	\$ 23,233
Total Liabilities	<u>15,754</u>	<u>7,479</u>	<u>23,233</u>
Fund Balances:			
Restricted			
Debt Service	30,004	8,493	38,497
Total Fund Balances	<u>30,004</u>	<u>8,493</u>	<u>38,497</u>
Total Liabilities and Fund Balances	<u>\$ 45,758</u>	<u>\$ 15,972</u>	<u>\$ 61,730</u>

CITY OF CAMAS, WASHINGTON
 Nonmajor Debt Service Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances
 Year Ended December 31, 2012

	<u>Unlimited Tax Redemption</u>	<u>Limited Tax Redemption</u>	<u>Total Nonmajor Debt Service Funds</u>
Revenues:			
Property Taxes	\$ 629,833	\$ 5,997	\$ 635,830
Total Revenues	<u>629,833</u>	<u>5,997</u>	<u>635,830</u>
Due from Other Governmental Units			
Expenditures:			
Debt Service			
Principal Retirement	450,000	517,230	967,230
Interest/Fiscal Charges	174,011	46,290	220,301
Total Expenditures	<u>624,011</u>	<u>563,520</u>	<u>1,187,531</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,822	(557,523)	(551,701)
Other Financing Sources (Uses):			
Transfers In	-	563,520	563,520
Total Other Financing Sources (Uses)	<u>-</u>	<u>563,520</u>	<u>563,520</u>
Net Change in Fund Balances	5,822	5,997	11,819
Fund Balances at Beginning of Year	<u>24,182</u>	<u>2,496</u>	<u>26,678</u>
Fund Balances at End of Year	<u>\$ 30,004</u>	<u>\$ 8,493</u>	<u>\$ 38,497</u>

CITY OF CAMAS, WASHINGTON
 Nonmajor Capital Project Funds
 Balance Sheet
 December 31, 2012

	NW 38th Street	Friberg Street Construction	Community Center	Total Capital Project Funds
Assets:				
Cash and Cash Equivalents	\$ -	\$ (51,037)	\$ 354,142	303,105
Due from Other Governmental Units	-	89,402	0	89,402
Total Assets	\$ -	\$ 38,365	\$ 354,142	392,507
Liabilities and Fund Balances:				
Liabilities:				
Accounts Payable	\$ 52,957	\$ 73,528	\$ -	126,485
Interfund Loan Payable	-	90,000	-	90,000
Total Liabilities	52,957	163,528	-	216,485
Fund balances:				
Committed - Culture and Recreation	-	-	354,142	354,142
Assigned	-	-	-	-
Unassigned	(52,957)	(125,163)	-	(178,120)
Total Equities and Fund Balances	(52,957)	(125,163)	354,142	176,022
Total Liabilities and Fund Balances	\$ -	\$ 38,365	\$ 354,142	392,507

CITY OF CAMAS, WASHINGTON
Nonmajor Capital Project Funds
Statement of Revenues, Expenditures and
Changes in Fund Balance
For the fiscal year ended December 31, 2012

	<u>NW 38th Street</u>	<u>Friberg Street Construction</u>	<u>Community Center</u>	<u>Total Capital Project Funds</u>
Revenues:				
Intergovernmental	\$ 350,000	\$ 89,402	\$ -	\$ 439,402
Interest Earnings	-	-	963	963
Total Revenues	<u>350,000</u>	<u>89,402</u>	<u>963</u>	<u>440,365</u>
Expenditures:				
Capital Outlay	1,207,437	214,565	-	1,422,002
Total Expenditures	<u>1,207,437</u>	<u>214,565</u>	<u>-</u>	<u>1,422,002</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(857,437)	(125,163)	963	(981,637)
Other Financing Sources (Uses)				
Long-term Debt Proceeds	768,826	-	-	768,826
Transfers In	35,654	-	-	35,654
Total Other Financing Sources (Uses)	<u>804,480</u>	<u>-</u>	<u>-</u>	<u>804,480</u>
Net Change in Fund balances	(52,957)	(125,163)	963	(177,157)
Fund Balances at Beginning of Year	-	-	353,179	353,179
Fund Balances at End of Year	<u>\$ (52,957)</u>	<u>\$ (125,163)</u>	<u>\$ 354,142</u>	<u>\$ 176,022</u>

CITY OF CAMAS, WASHINGTON
Hotel Motel Lodging Tax
Schedule of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		Actual Amount	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes - Sales and Use	\$ 5,000	\$ 5,000	\$ 6,316	\$ 1,316
Interest Earnings	-	-	12	12
Total Revenues	<u>5,000</u>	<u>5,000</u>	<u>6,328</u>	<u>1,328</u>
Expenditures:				
Current:				
Economic Environment	5,000	5,000	2,800	2,200
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,800</u>	<u>2,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>3,528</u>	<u>3,528</u>
Net Change in Fund Balances	-	-	3,528	3,528
Fund Balances at Beginning of Year	<u>2,000</u>	<u>2,000</u>	<u>7,054</u>	<u>5,054</u>
Fund Balances at End of Year	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 10,582</u>	<u>\$ 8,582</u>

CITY OF CAMAS, WASHINGTON

City Street Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances

Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 560,000	\$ 560,000	\$ 607,500	\$ 47,500
Charges for Services	5,000	5,000	258	(4,742)
Miscellaneous	700	700	18,154	17,454
Total Revenues	<u>565,700</u>	<u>565,700</u>	<u>625,912</u>	<u>60,212</u>
Expenditures:				
Current				
Transportation	1,516,739	1,516,739	1,462,017	(54,722)
Capital Outlay	460,000	460,000	492,836	32,836
Total Expenditures	<u>1,976,739</u>	<u>1,976,739</u>	<u>1,954,853</u>	<u>(21,886)</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(1,411,039)	(1,411,039)	(1,328,941)	38,326
Other Financing Sources (Uses):				
Insurance Recoveries	-	-	20,166	20,166
Transfers In	1,361,039	1,361,039	1,319,848	(41,191)
Total Other Financing Sources and Uses	<u>1,361,039</u>	<u>1,361,039</u>	<u>1,340,014</u>	<u>(21,025)</u>
Net Change in Fund Balance	(50,000)	(50,000)	11,073	17,301
Fund Balances at Beginning of Year	126,038	126,038	(438,324)	(564,362)
Prior year adjustments	-	-	138,464	138,464
Fund Balances at End of Year	<u>\$ 76,038</u>	<u>\$ 76,038</u>	<u>\$ (288,787)</u>	<u>\$ (408,597)</u>

The notes to the financial statements are an integral part of this statement

CITY OF CAMAS, WASHINGTON
 Unlimited Tax
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Compared to Budget (GAAP Basis) and Actual
 For the Fiscal Year Ended December 31, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ 624,011	\$ 624,011	\$ 629,833	\$ 5,822
Total Revenues	<u>624,011</u>	<u>624,011</u>	<u>629,833</u>	<u>5,822</u>
Expenditures:				
Debt service:				
Principal Retirement	450,000	450,000	450,000	-
Interest/Fiscal Charges	<u>174,011</u>	<u>174,011</u>	<u>174,011</u>	<u>-</u>
Total Expenditures	<u>624,011</u>	<u>624,011</u>	<u>624,011</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	-	-	5,822	5,822
Fund Balances at Beginning of Year	<u>14,106</u>	<u>14,106</u>	<u>24,182</u>	<u>10,076</u>
Fund Balances at End of Year	<u>\$ 14,106</u>	<u>\$ 14,106</u>	<u>\$ 30,004</u>	<u>\$ 15,898</u>

CITY OF CAMAS, WASHINGTON

Limited Tax

Schedule of Revenues, Expenditures and Changes in Fund Balances

Compared to Budget (GAAP Basis) and Actual

For the Fiscal Year Ended December 31, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Property Taxes	\$ -	\$ -	\$ 5,997	\$ 5,997
Total Revenues	-	-	5,997	5,997
Expenditures:				
Debt service:				
Principal Retirement	517,230	517,230	517,230	-
Interest/Fiscal Charges	46,290	46,290	46,290	-
Total Expenditures	563,520	563,520	563,520	-
Excess (Deficiency) of Revenues Over (under) Expenditures	(563,520)	(563,520)	(557,523)	5,997
Other Financing Sources (Uses):				
Transfers In	563,520	563,520	563,520	-
Total Other Financing Sources and Uses	563,520	563,520	563,520	-
Net Change in Fund Balance	-	-	5,997	5,997
Fund Balances at Beginning of Year	1,119	1,119	2,496	1,377
Fund Balances at End of Year	\$ 1,119	\$ 1,119	\$ 8,493	\$ 7,374

CITY OF CAMAS, WASHINGTON
 NW 38th Street Construction Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Compared to Budget (GAAP Basis) and Actual
 For the Fiscal Year Ended December 31, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,800,000	\$ 1,800,000	\$ 350,000	\$ (1,450,000)
Total Revenues	<u>1,800,000</u>	<u>1,800,000</u>	<u>350,000</u>	<u>(1,450,000)</u>
Expenditures:				
Capital Outlay	4,400,000	4,400,000	1,207,437	3,192,563
Total Expenditures	<u>4,400,000</u>	<u>4,400,000</u>	<u>1,207,437</u>	<u>3,192,563</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	(2,600,000)	(2,600,000)	(857,437)	1,742,563
Other Financing Sources (Uses):				
Intergovernmental Loan Proceeds	2,600,000	2,600,000	768,826	(1,831,174)
Transfers In	-	-	35,654	35,654
Total Other Financing Sources and Uses	<u>2,600,000</u>	<u>2,600,000</u>	<u>804,480</u>	<u>35,654</u>
Net Change in Fund Balance	-	-	(52,957)	1,778,217
Fund Balances at Beginning of Year	-	-	-	-
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (52,957)</u>	<u>\$ 1,778,217</u>

CITY OF CAMAS, WASHINGTON
 Friberg Street Construction Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Compared to Budget (GAAP Basis) and Actual
 For the Fiscal Year Ended December 31, 2012

	<u>Budgeted Amounts</u>		Actual Amount	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 520,000	\$ 520,000	\$ 89,402	\$ (430,598)
Total Revenues	<u>520,000</u>	<u>520,000</u>	<u>89,402</u>	<u>(430,598)</u>
Expenditures:				
Capital Outlay	<u>520,000</u>	<u>520,000</u>	<u>214,565</u>	<u>305,435</u>
Total Expenditures	<u>520,000</u>	<u>520,000</u>	<u>214,565</u>	<u>305,435</u>
Excess (Deficiency) of Revenues Over (under) Expenditures	-	-	(125,163)	(125,163)
Fund Balances at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (125,163)</u>	<u>\$ (125,163)</u>

CITY OF CAMAS, WASHINGTON
Growth Management Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Compared to Budget (GAAP Basis) and Actual
For the Fiscal Year Ended December 31, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Revenues:				
Other Taxes	\$ 600,000	\$ 600,000	\$ 831,680	\$ 231,680
Intergovernmental	-	-	33,384	33,384
Charges for Services	515,000	515,000	439,347	(75,653)
Interest Earnings	4,000	4,000	4,780	780
Contributions/Donations	-	-	15,000	15,000
Total Revenues	<u>1,119,000</u>	<u>1,119,000</u>	<u>1,324,191</u>	<u>205,191</u>
Expenditures:				
Capital Outlay	<u>435,000</u>	<u>435,000</u>	<u>627,795</u>	<u>(192,795)</u>
Total Expenditures	<u>435,000</u>	<u>435,000</u>	<u>627,795</u>	<u>(192,795)</u>
Excess (Deficiency) of Revenues Over (under) Expenditures				
	684,000	684,000	696,396	12,396
Other Financing Sources (Uses):				
Transfers Out	<u>(1,178,520)</u>	<u>(1,178,520)</u>	<u>(1,157,983)</u>	<u>20,537</u>
Total Other Financing Sources and Uses	<u>(1,178,520)</u>	<u>(1,178,520)</u>	<u>(1,157,983)</u>	<u>20,537</u>
Net Change in Fund Balance	(494,520)	(494,520)	(461,587)	32,933
Fund Balances at Beginning of Year	<u>494,520</u>	<u>494,520</u>	<u>1,725,673</u>	<u>1,231,153</u>
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,264,086</u>	<u>\$ 1,264,086</u>

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Statistical Section

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City of Camas, Washington

Statistical Section

This part of the City of Camas' (the City) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	98-103
<p>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</p>	
Revenue Capacity	104-107
<p>These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.</p>	
Debt Capacity	108-112
<p>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	113-114
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</p>	
Operating Information	115-117
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</p>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year. The City implemented GASB Statement 44 in 2006; schedules presenting government-wide information include information beginning in that year.

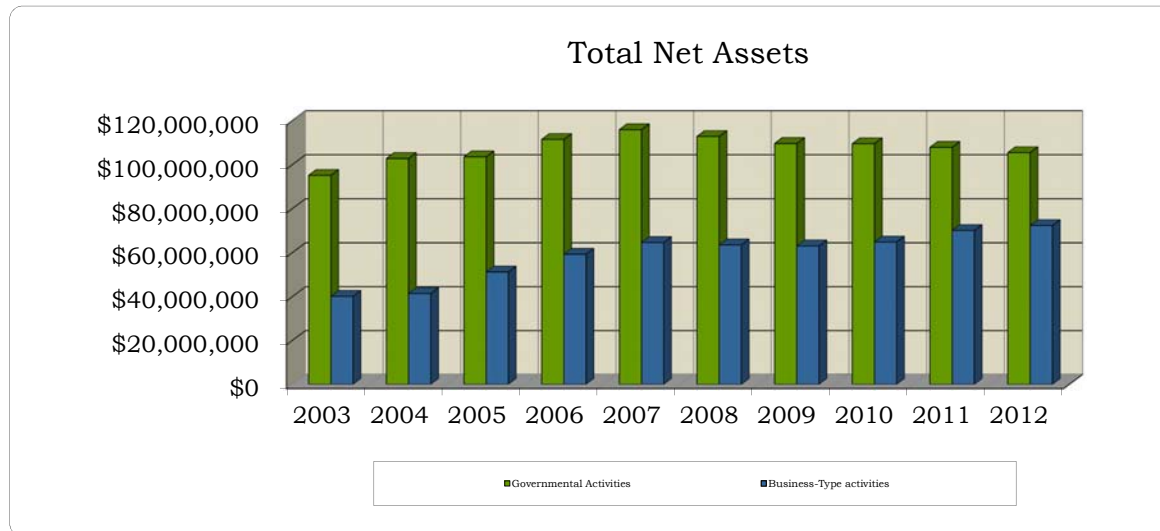
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Table 1

City of Camas, Washington
 Net Assets by Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Net Investment in capital assets	\$85,833,269	\$93,870,877	\$93,679,540	\$101,603,544	\$109,153,090	\$106,860,759	\$105,051,084	\$ 104,617,917	\$ 103,793,081	\$ 103,002,429
Restricted	3,975,448	3,757,869	4,467,370	5,289,129	3,616,721	3,611,654	2,140,387	2,059,919	1,932,367	1,481,123
Unrestricted	5,382,693	5,230,473	5,469,098	4,642,743	3,193,879	2,419,842	2,516,303	2,910,933	2,206,306	1,040,434
Total governmental activities net assets	\$95,191,410	\$102,859,219	\$103,616,008	\$111,535,416	\$115,963,690	\$112,892,255	\$109,707,774	\$109,588,769	\$107,931,754	\$105,523,986
Business-type activities										
Net Investment in capital assets	\$35,629,710	\$37,913,666	\$45,827,539	\$55,988,202	\$60,477,417	\$61,120,462	\$61,004,686	\$ 63,793,398	\$ 65,951,208	\$ 65,195,717
Restricted	1,146,774	1,139,080	1,733,544	1,377,702	5,955,875	1,367,099	1,162,559	850,318	1,526,937	1,878,245
Unrestricted	3,429,395	2,415,796	3,704,051	1,964,412	(1,763,084)	1,083,583	968,464	269,048	2,658,682	5,330,865
Total business-type activities net assets	\$40,205,879	\$41,468,542	\$51,265,134	\$59,330,316	\$64,670,208	\$63,571,144	\$63,135,709	\$64,912,764	\$70,136,827	\$72,404,827
Primary government										
Net Investment in capital assets	\$121,462,979	\$131,784,543	\$139,507,079	\$157,591,746	\$169,630,507	\$167,981,221	\$166,055,770	\$ 168,411,315	\$ 169,744,289	\$ 168,198,146
Restricted	5,122,222	4,896,949	6,200,914	6,666,831	9,572,596	4,978,753	3,302,946	2,910,237	3,459,304	3,359,368
Unrestricted	8,812,088	7,646,269	9,173,149	6,607,155	1,430,795	3,503,425	3,484,767	3,179,981	4,864,988	6,371,299
Total primary government net assets.	\$135,397,289	\$144,327,761	\$154,881,142	\$170,865,732	\$180,633,898	\$176,463,399	\$172,843,483	\$174,501,533	\$178,068,581	\$177,928,813

86 The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2003.



City of Camas, Washington
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government	\$ 1,406,284	\$ 1,536,540	\$ 1,795,617	\$ 1,755,980	\$ 2,004,973	\$ 1,971,712	\$ 2,019,588	\$ 2,266,225	\$ 2,046,532	\$ 2,078,571
Judicial	175,302	162,809	128,123	189,946	171,207	193,383	174,845	202,568	224,011	267,622
Public Safety	7,507,992	7,762,855	7,806,609	8,579,033	9,956,452	10,098,295	11,058,299	11,128,852	10,975,382	11,549,612
Physical Environment	1,037,200	975,887	1,152,737	1,375,731	1,560,735	1,686,067	1,501,586	1,305,804	1,430,486	1,454,602
Transportation	4,536,003	5,711,115	4,689,307	4,459,184	5,837,233	5,672,852	5,218,433	5,154,845	5,220,600	5,187,623
Health and Human Services	-	-	-	-	-	-	-	-	3,496	6,000
Economic Environment	422,431	406,890	396,146	411,789	541,585	397,448	485,670	611,832	395,350	457,656
Culture and Recreation	2,391,712	2,642,890	2,729,050	2,918,176	3,894,696	3,362,790	3,364,737	3,656,483	3,381,078	3,344,599
Interest on Long-Term Debt	701,154	607,247	481,324	551,973	508,407	467,712	430,044	468,914	182,979	204,322
Total governmental activities expenses	<u>18,178,078</u>	<u>19,806,233</u>	<u>19,178,913</u>	<u>20,241,812</u>	<u>24,475,288</u>	<u>23,850,259</u>	<u>24,253,202</u>	<u>24,795,523</u>	<u>23,859,914</u>	<u>24,550,607</u>
Business-type activities:										
Water - Sewer	5,311,346	5,977,917	6,460,350	6,624,163	6,850,962	7,720,910	7,437,743	7,630,151	7,758,339	8,488,128
Storm Water Drainage	-	- *	492,823 *	750,551 *	903,958 *	1,069,811 *	1,226,497	1,168,587	1,181,647	1,284,973
Sanitary	1,407,293	1,376,742	1,533,002	1,783,653	1,775,981	1,819,090	2,039,742	1,734,498	1,846,979	1,845,144
Total business-type activities expenses	<u>6,718,639</u>	<u>7,354,659</u>	<u>8,486,175</u>	<u>9,158,367</u>	<u>9,530,901</u>	<u>10,609,811</u>	<u>10,703,982</u>	<u>10,533,236</u>	<u>10,786,965</u>	<u>11,618,245</u>
Total primary government expenses	<u>\$ 24,896,717</u>	<u>\$ 27,160,892</u>	<u>\$ 27,665,088</u>	<u>\$ 29,400,179</u>	<u>\$ 34,006,189</u>	<u>\$ 34,460,070</u>	<u>\$ 34,957,184</u>	<u>\$ 35,328,759</u>	<u>\$ 34,646,879</u>	<u>\$ 36,168,852</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Public safety	\$ 2,236,291	\$ 2,097,121	\$ 2,494,910	\$ 2,529,134	\$ 2,275,001	\$ 2,179,383	\$ 3,156,206	\$ 2,452,734	\$ 2,092,518	\$ 1,994,185
Economic environment	1,145,639	1,142,821	2,209,793	1,183,598	804,593	530,873	414,977	1,913,079	1,312,370	1,008,057
Other activities	1,091,717	1,298,955	1,225,255	1,501,367	1,649,617	1,783,919	1,778,644	1,868,963	1,930,992	2,019,978
Operating grants and contributions	344,469	502,790	434,006	474,993	639,577	464,241	466,969	519,795	490,960	589,203
Capital grants and contributions	4,307,061	7,941,282	6,457,006	8,036,193	10,317,610	956,930	455,493	2,393,919	2,037,901	1,583,722
Total governmental activities program revenues	<u>9,125,177</u>	<u>12,982,969</u>	<u>12,820,970</u>	<u>13,725,285</u>	<u>15,686,398</u>	<u>5,915,346</u>	<u>6,272,289</u>	<u>9,148,490</u>	<u>7,864,741</u>	<u>7,195,145</u>
Business-type activities:										
Charges for services:										
Water - Sewer	4,981,073	5,301,666	5,525,412	6,062,899	6,222,686	6,300,494	7,057,570	8,007,876	9,026,914	9,886,226
Storm Water Drainage	-	- *	383,454 *	466,555 *	475,896 *	499,461	679,785	856,592	885,152	1,109,017
Sanitary	1,446,303	1,574,511	1,679,644	1,743,870	1,782,689	1,802,190	1,760,293	1,861,055	1,915,153	1,978,804
Operating grants and contributions	-	-	-	-	1,144	23,189	53,116	37,440	11,661	84,296
Capital grants and contributions	2,241,531	1,185,204	3,425,815	8,555,739	4,161,710	561,816	558,082	1,867,028	3,204,068	819,953
Total business-type activities program revenues	<u>8,668,907</u>	<u>8,061,381</u>	<u>11,014,325</u>	<u>16,829,063</u>	<u>12,644,125</u>	<u>9,187,150</u>	<u>10,108,846</u>	<u>12,629,991</u>	<u>15,042,948</u>	<u>13,878,296</u>
Total primary government program revenues	<u>\$ 17,794,084</u>	<u>\$ 21,044,350</u>	<u>\$ 23,835,295</u>	<u>\$ 30,554,348</u>	<u>\$ 28,330,523</u>	<u>\$ 15,102,496</u>	<u>\$ 16,381,135</u>	<u>\$ 21,778,481</u>	<u>\$ 22,907,689</u>	<u>\$ 21,073,441</u>
Net (expenses)/revenue										
Governmental activities	\$ (9,052,901)	\$ (6,823,264)	\$ (6,357,943)	\$ (6,516,527)	\$ (8,788,890)	\$ (17,934,913)	\$ (19,849,876)	\$ (15,647,033)	\$ (15,995,173)	\$ (17,355,462)
Business-type activities	1,950,268	706,722	2,528,150	7,670,696	3,113,224	(1,422,661)	(595,136)	2,096,755	4,255,983	2,260,051
Total primary government net expense	<u>\$ (7,102,633)</u>	<u>\$ (6,116,542)</u>	<u>\$ (3,829,793)</u>	<u>\$ 1,154,169</u>	<u>\$ (5,675,666)</u>	<u>\$ (19,357,574)</u>	<u>\$ (18,576,049)</u>	<u>\$ (13,550,278)</u>	<u>\$ (11,739,190)</u>	<u>\$ (15,095,411)</u>

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The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2003.

* In 2005 the City established the Storm Water Drainage Fund as an enterprise fund to provide the maintenance, operations and construction of storm sewer capital facilities

City of Camas, Washington
 Changes in Net Position
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 9,139,398	\$ 9,269,439	\$ 9,564,242	\$ 9,820,482	\$ 10,889,917	\$ 11,278,123	\$ 11,509,426	\$ 11,457,115	\$ 10,825,113	\$ 10,632,849
Sales and use taxes	2,517,357	2,902,678	1,719,533	1,793,742	1,795,976	1,989,644	1,899,938	2,226,820	2,467,139	2,157,612
Business and occupation taxes	205,659	244,419	289,518	347,167	382,575	403,387	426,990	419,056	448,932	435,401
Excise taxes	62,496	75,384	1,804,376	1,634,916	1,135,599	757,059	708,291	768,599	682,415	1,051,951
Penalties and interest	4,757	4,803	2,357	775	49	89	-	-	-	-
Unrestricted grants and contributions	241,395	283,794	367,232	308,587	345,500	346,940	367,117	369,356	384,621	450,614
Investment earnings	301,381	147,962	343,204	472,455	523,808	289,146	91,249	46,772	43,084	31,869
Miscellaneous	14,986	26,421	17,953	57,811	6,934	39,450	63,465	24,287	36,166	48,934
Gain on Disposal of Capital Assets	13,113	(35,056)	63,040	-	-	-	-	-	-	-
Transfers	-	18,493	(24,658)	-	17,780	3,124	-	-	-	-
Total governmental activities	<u>12,500,542</u>	<u>12,938,337</u>	<u>14,146,797</u>	<u>14,435,935</u>	<u>15,098,138</u>	<u>15,106,962</u>	<u>15,066,476</u>	<u>15,312,005</u>	<u>14,887,470</u>	<u>14,809,230</u>
Business-type activities:										
Investment earnings	150,376	92,230	106,855	212,329	285,474	197,892	29,980	18,858	21,478	7,949
Miscellaneous	62,676	72,729	104,864	182,157	124,168	128,829	129,721	-	-	-
Gain on Disposal of Capital Assets	-	-	-	-	3,225	-	-	-	-	-
Transfers	-	(18,493)	24,658	-	(17,780)	(3,124)	-	-	-	-
Total business-type activities	<u>213,052</u>	<u>146,466</u>	<u>236,377</u>	<u>394,486</u>	<u>395,087</u>	<u>323,597</u>	<u>159,701</u>	<u>18,858</u>	<u>21,478</u>	<u>7,949</u>
Total primary government	<u>\$ 12,713,594</u>	<u>\$ 13,084,803</u>	<u>\$ 14,383,174</u>	<u>\$ 14,830,421</u>	<u>\$ 15,493,225</u>	<u>\$ 15,430,559</u>	<u>\$ 15,226,177</u>	<u>\$ 15,330,863</u>	<u>\$ 14,908,948</u>	<u>\$ 14,817,179</u>
Change in Net Assets										
Governmental activities	\$ 3,447,641	\$ 6,150,129	\$ 7,788,954	\$ 7,919,408	\$ 6,309,248	\$ (2,827,951)	\$ (2,914,437)	\$ (335,028)	\$ (1,107,703)	\$ (2,546,232)
Business-type activities	2,163,320	853,188	2,764,527	8,065,182	3,508,311	(1,099,064)	(435,435)	2,115,613	4,277,461	2,268,000
Total primary government	<u>\$ 5,610,961</u>	<u>\$ 7,003,317</u>	<u>\$ 10,553,481</u>	<u>\$ 15,984,590</u>	<u>\$ 9,817,559</u>	<u>\$ (3,927,015)</u>	<u>\$ (3,349,872)</u>	<u>\$ 1,780,585</u>	<u>\$ 3,169,758</u>	<u>\$ (278,232)</u>

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2003.

Table 3

City of Camas, Washington
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	General Property Taxes	Sales and Use Taxes	Other Taxes	Total Taxes
2003	\$ 9,139,398	\$ 1,512,578	\$ 1,277,691	\$ 11,929,667
2004	9,269,439	1,603,664	1,623,620	12,496,723
2005	9,547,513	1,719,533	2,096,251	13,363,297
2006	9,819,086	1,793,742	1,982,858	13,595,686
2007	10,744,553	1,795,976	1,518,223	14,058,752
2008	11,154,737	1,963,319	1,160,535	14,278,591
2009	11,427,290	1,899,566	1,135,281	14,462,137
2010	11,481,779	2,226,820	1,187,655	14,896,254
2011	10,900,019	2,467,139	1,131,348	14,498,506
2012	10,818,241	2,157,612	1,487,352	14,463,205

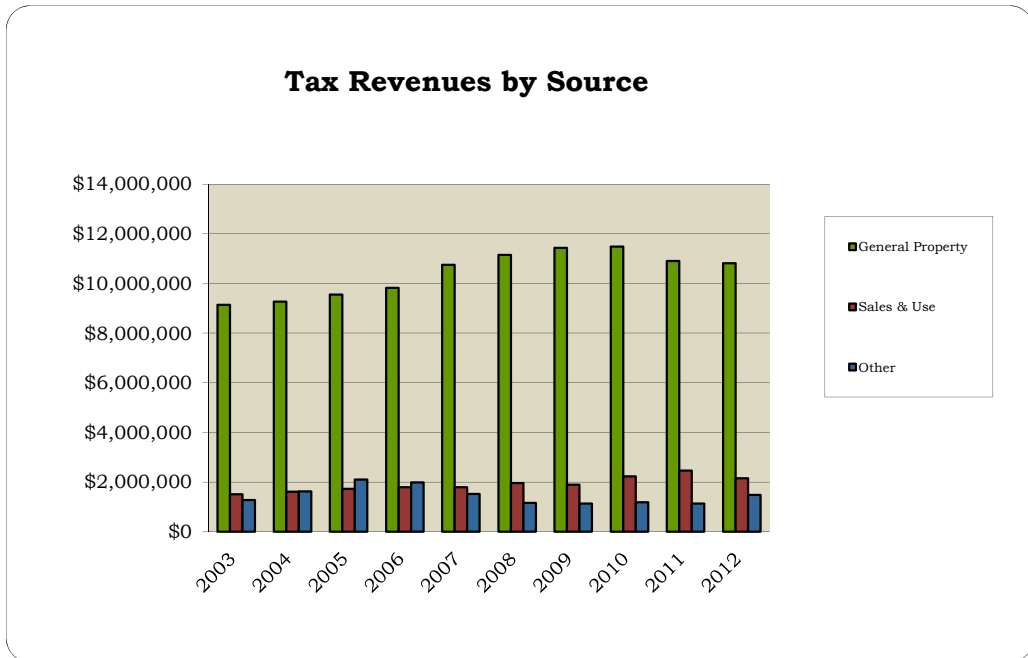


Table 4

City of Camas, Washington
 Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011 ¹	2012 ¹
General Fund:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,680,192	3,465,119	4,485,639	4,801,484	4,030,330	3,379,176	3,364,291	3,889,312	-	-
Restricted:										
Public Safety	-	-	-	-	-	-	-	-	137,043	129,462
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	861,683	895,668
Unassigned	-	-	-	-	-	-	-	-	3,096,608	2,823,503
Total General Fund	<u>2,680,192</u>	<u>3,465,119</u>	<u>4,485,639</u>	<u>4,801,484</u>	<u>4,030,330</u>	<u>3,379,176</u>	<u>3,364,291</u>	<u>3,889,312</u>	<u>4,095,334</u>	<u>3,848,633</u>
All Other Governmental Funds:										
Reserved	3,975,448	3,757,869	4,467,370	5,289,129	3,827,479	3,611,654	2,140,387	2,198,383	-	-
Unreserved:										
Special Revenue Funds	2,010,162	1,298,723	569,692	755,377	180,992	196,854	482,782	8,725	-	-
Capital	-	64,512	171,540	-	(70,324)	71,377	104,773	-	-	-
Unreserved, undesignated	-	-	-	-	-	-	-	428,587	-	-
Restricted:										
Tourism	-	-	-	-	-	-	-	-	7,054	10,582
Debt Service	-	-	-	-	-	-	-	-	26,678	38,497
Capital Outlay	-	-	-	-	-	-	-	-	1,725,673	1,264,086
Committed:										
Culture and Recreation	-	-	-	-	-	-	-	-	353,179	354,142
Public Safety	-	-	-	-	-	-	-	-	350,856	18,113
Assigned	-	-	-	-	-	-	-	-	10,059	-
Unassigned	-	-	-	-	-	-	-	-	(438,324)	(466,907)
Total	<u>5,985,610</u>	<u>5,121,104</u>	<u>5,208,602</u>	<u>6,044,506</u>	<u>3,938,147</u>	<u>3,879,885</u>	<u>2,727,942</u>	<u>2,635,695</u>	<u>2,035,175</u>	<u>1,218,513</u>
Total General and Other Governmental Funds	<u>\$ 8,665,802</u>	<u>\$ 8,586,223</u>	<u>\$ 9,694,241</u>	<u>\$ 10,845,990</u>	<u>\$ 7,968,477</u>	<u>\$ 7,259,061</u>	<u>\$ 6,092,233</u>	<u>\$ 6,525,007</u>	<u>\$ 6,130,509</u>	<u>\$ 5,067,146</u>

¹ GASB 54 states that Fund Balances should be reported with the categories listed in the above table for 2011. Years 2003 - 2010 will continue to be reported in the old format until 10 years of information is available.

Table 5

City of Camas, Washington
 Changes in Fund Balances, Government Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes	\$ 11,950,358	\$ 12,531,538	\$ 13,363,297	\$ 13,595,686	\$ 14,058,752	\$ 14,278,591	\$ 14,462,137	\$ 14,896,254	\$ 14,498,506	\$ 14,463,205
Licenses and permits	567,226	480,952	739,315	460,489	442,146	414,887	363,168	588,583	490,944	336,991
Intergovernmental	1,583,993	7,387,056	3,196,992	2,894,189	2,335,986	2,155,029	2,730,088	3,880,156	3,816,252	2,643,596
Charges for services	3,212,621	3,284,823	4,463,883	3,864,707	3,512,854	3,202,921	3,190,269	3,883,911	3,523,628	3,230,865
Fines and forfeits	210,106	218,934	163,908	193,472	215,806	270,518	216,185	236,379	244,396	242,682
Interest earnings	295,104	142,313	332,456	457,085	513,499	280,726	88,090	44,278	41,876	29,831
Rents and royalties	58,570	55,307	55,251	46,677	34,478	41,235	45,068	42,494	60,918	61,243
Insurance premiums/recoveries	-	3,670	12,689	115,626	9,086	78,381	31,627	127	61,815	-
Contributions/donations	100,376	590,341	669,104	184,655	336,230	10,387	16,448	392,341	32,811	41,176
Interest on special assessments	-	-	-	-	-	-	-	-	-	-
Miscellaneous	32,007	50,822	98,926	21,168	33,812	52,502	41,673	183,096	51,374	77,300
Total revenues	18,010,361	24,745,756	23,095,821	21,833,754	21,492,649	20,785,177	21,184,753	24,147,619	22,822,520	21,126,889
Expenditures										
General government	1,347,847	1,441,193	1,675,583	1,706,727	1,859,674	1,857,059	1,898,842	2,012,044	1,910,644	1,982,884
Judicial	175,302	162,809	128,123	189,946	171,207	193,383	174,845	202,568	224,011	267,622
Public safety	7,223,576	7,397,496	7,476,465	8,237,267	9,346,168	9,669,711	10,491,709	10,580,263	10,474,999	10,971,270
Physical environment	1,028,384	944,317	1,107,639	1,362,037	1,511,826	1,539,201	1,476,300	1,296,417	1,427,463	1,434,596
Transportation	1,541,924	2,794,251	1,842,791	1,699,787	1,895,777	1,906,603	1,537,961	1,504,420	1,508,390	1,462,017
Economic environment	424,064	402,821	405,871	401,368	539,781	552,661	482,843	607,246	392,319	450,820
Mental & physical health	-	-	-	-	-	-	-	-	3,496	6,000
Culture & recreation	1,836,926	1,929,451	2,035,604	2,198,915	3,111,724	2,644,558	2,603,814	2,927,050	2,477,128	2,606,483
Debt service										
Principal retirement	708,444	842,268	1,086,341	1,111,454	1,229,723	1,228,607	1,202,796	1,194,883	1,234,013	967,230
Interest/fiscal charges	760,589	609,310	469,070	464,642	420,400	373,601	336,239	303,190	260,267	220,301
Bond issuance costs	-	-	38,744	-	-	-	-	-	-	-
Payment to escrow agent	-	-	20,000	-	-	-	-	-	-	-
Capitalized expenditures	3,926,584	9,485,914	5,009,356	4,689,933	4,212,531	1,669,731	2,555,072	3,086,763	2,821,950	2,759,073
Total expenditures	18,973,640	26,009,830	21,295,587	22,062,076	24,298,811	21,635,115	22,760,421	23,714,844	22,734,680	23,128,296
Excess of revenues over (under) expenditures	(963,279)	(1,264,074)	1,800,234	(228,322)	(2,806,162)	(849,938)	(1,575,668)	432,775	87,840	(2,001,407)
Other Financing Sources (Uses)										
Intergovernmental loan proceeds	325,000	1,567,833	603,600	1,350,000	-	172,398	408,840	-	-	-
Long-term debt issuance	-	-	-	-	-	-	-	-	-	768,826
Insurance Recoveries	-	-	-	-	-	-	-	-	-	30,754
Sale of fixed assets	53,152	-	-	30,071	-	-	-	-	-	-
Refunding bond issued	-	-	5,432,000	-	-	-	-	-	-	-
Payment to refunded debt escrow agent	-	-	(5,393,256)	-	-	-	-	-	-	-
Transfers in	1,939,524	3,369,440	3,325,888	2,496,856	2,587,370	2,460,159	2,842,295	2,495,731	2,094,707	2,209,022
Transfers out	(1,939,524)	(3,387,591)	(3,369,671)	(2,496,856)	(2,569,590)	(2,492,035)	(2,842,295)	(2,495,731)	(2,094,707)	(2,209,022)
Total other financing sources (uses)	378,152	1,549,682	598,561	1,380,071	17,780	140,522	408,840	-	-	799,580
Net change in fund balances	\$ (585,127)	\$ 285,608	\$ 2,398,795	\$ 1,151,749	\$ (2,788,382)	\$ (709,416)	\$ (1,166,828)	\$ 432,775	\$ 87,840	\$ (1,201,827)
Debt service as a percentage of noncapital expenditures	9.8%	8.8%	9.9%	9.1%	8.2%	8.0%	7.6%	7.3%	7.5%	5.8%

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The City implemented GASB 44 in 2006 and has reported the information above retroactively.

Table 6

City of Camas, Washington
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property Assessed Value (1)			Personal Property Assessed Value	Less: Exemptions Real Property	Total Assessed Value	Estimated Actual Value	Total Direct Tax Rate per \$1,000 of Assessed Value	Ratio of total Assessed Value to Estimated Actual Value (1)
	Residential	Commercial	Industrial						
2003	\$ 1,083,048,777	\$ 79,738,306	\$ 837,252,218	\$ 189,386,531	\$ 6,581,640	\$ 2,182,844,192	\$ 2,292,903,563	\$ 4.21	95.20
2004	1,173,550,201	83,379,928	833,799,283	120,029,827	6,231,205	2,204,528,035	2,325,451,514	4.20	94.80
2005	1,387,716,003	65,544,524	742,837,935	103,096,755	11,281,005	2,287,914,212	2,413,411,616	4.19	94.80
2006	1,892,558,890	73,339,213	488,928,090	122,775,656	10,185,745	2,567,416,104	2,708,244,835	3.89	94.80
2007	2,274,712,864	74,767,470	526,092,453	124,383,801	10,427,780	2,989,528,808	3,211,094,316	3.66	93.10
2008	2,504,602,203	105,684,895	532,079,338	117,940,508	9,948,555	3,250,358,389	3,417,832,165	3.48	95.10
2009	2,454,428,294	109,466,504	501,933,159	102,706,017	9,675,700	3,158,585,419	3,407,319,762	3.66	92.70
2010	2,106,172,559	130,026,510	488,404,834	118,122,001	13,781,185	2,748,150,894	2,990,370,940	4.18	91.90
2011	1,874,652,909	125,761,475	451,070,419	118,526,302	14,625,156	2,555,385,949	2,786,680,424	4.20	91.70
2012	1,846,671,135	143,265,017	438,332,081	125,643,583	14,412,245	2,539,499,571	2,704,472,387	4.20	93.90

The City implemented GASB 44 in 2006 and has reported the information above retroactively.

Source: Clark County Assessor's Office

(1) Ratios obtained from the Department of Revenue, State of Washington

Note: Property in the City is reassessed annually.

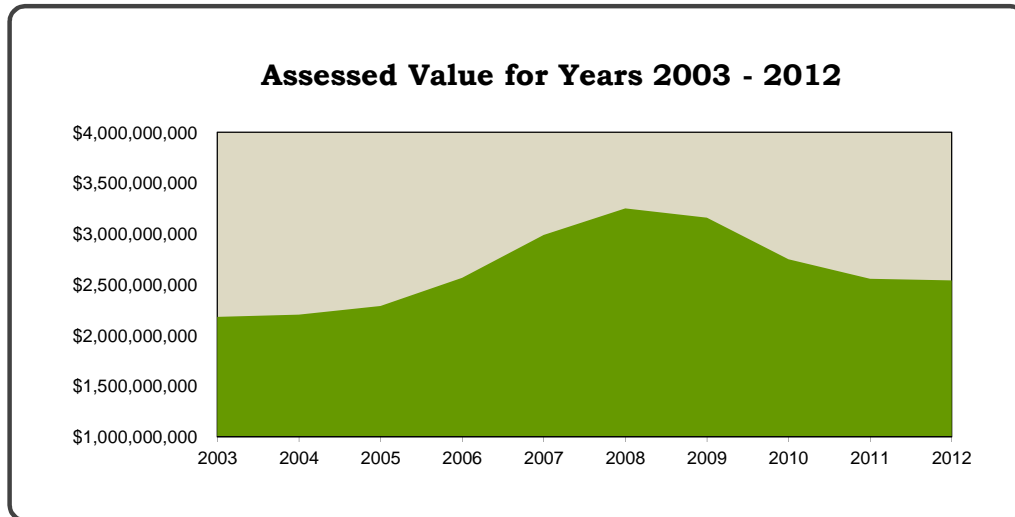


Table 7

City of Camas, Washington
 Property Tax Rates - Direct and Overlapping Governments
 Last Ten Fiscal Years
 (rate per \$1,000 of assessed value)

Fiscal Year	Direct Tax Rate			Total Direct Tax Rate	Overlapping Tax Rate (1)						Total
	General Fund	General Obligation	Emergency Rescue		School	County	State School	Port (Corp. Limits)	Mosquito Control	Conservation Futures	
2003	\$ 0.3596	\$ 0.0362	\$ 0.0250	\$ 0.4208	\$ 0.4616	\$ 0.1579	\$ 0.2788	\$ 0.0497	\$ 0.0010	\$ 0.0063	\$ 1.3762
2004	0.3597	0.0360	0.0250	0.4207	0.4641	0.1511	0.2767	0.0507	0.0010	0.0063	1.3705
2005	0.3598	0.0345	0.0250	0.4193	0.4741	0.1505	0.2730	0.0507	0.0009	0.0063	1.3749
2006	0.3365	0.0296	0.0234	0.3894	0.4307	0.1374	0.2471	0.0435	0.0008	0.0063	1.2554
2007	0.3058	0.0256	0.0350	0.3663	0.4130	0.1527	0.3404	0.0373	0.0007	0.0053	1.3158
2008	0.2918	0.0231	0.0334	0.3482	0.4878	0.1078	0.1919	0.0344	0.0007	0.0049	1.1757
2009	0.3090	0.0219	0.0350	0.3659	0.5123	0.1119	0.1890	0.0362	0.0009	0.0051	1.2213
2010	0.3600	0.0228	0.0350	0.4178	0.6740	0.1302	0.2025	0.0413	0.0010	0.0059	1.4727
2011	0.3600	0.0246	0.0350	0.4196	0.7669	0.1446	0.2256	0.0448	0.0000	0.0063	1.6077
2012	0.3600	0.0247	0.0350	0.4197	0.7710	0.1486	0.2636	0.0448	0.0000	0.0063	1.6540

Source: Office of Clark County, Washington, Assessor.

Note: The above figures are stated by percent of assessed valuation. To arrive at millage, move the decimal point one place to the right.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Camas. Not all overlapping rates apply to all Camas property owners.



Table 8

City of Camas, Washington
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	Type of Business	2012 Assessed Valuation	Rank	Percentage of Total Assessed Valuation	2003 Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Georgia Pacific	Paper Products	\$ 183,355,829	1	7.2	\$ 264,195,167	2	12.0
Wafertech	Micro-Electronics Mfg.	136,153,100	2	5.4	428,447,892	1	19.4
Linear Technology	Analog Integrated Circuits	35,792,500	3	1.4	43,299,270	3	2.0
Fisher Creek Campus LLC	Land Development	30,122,425	4	1.2	-	-	-
Sharp Microelectronics	Micro-Electronics	28,651,605	5	1.1	36,402,621	4	1.7
Bodycote IMT Inc.	Micro-Electronics	25,519,160	6	1.0	18,752,146	7	0.9
Pacificorp	Utility	18,580,700	7	0.7	15,476,947	8	0.7
Underwriters Laboratories	Research and Testing	17,754,300	8	0.7	21,738,040	6	1.0
Bruzzzone 4th St. LLC	Manufacturing	12,538,000	9	0.5	12,004,400	10	0.5
Heraeus Shin Etsu America	Micro-Electronics	11,403,840	10	0.4	12,403,551	9	0.6
Camas Power Boiler	Utility	-	-	-	23,644,261	5	1.1
	Totals	<u>\$ 499,871,459</u>		<u>19.7</u>	<u>\$ 876,364,295</u>		<u>39.8</u>

Source: Clark County Assessor

Table 9

City of Camas, Washington
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections	Tax Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2003	\$ 9,162,698	\$ 9,028,000	98.53	\$ 134,415	\$ 9,162,415	100.00
2004	9,291,192	9,114,481	98.10	176,564	9,291,045	100.00
2005	9,557,385	9,405,109	98.41	152,206	9,557,315	100.00
2006	9,964,582	9,804,200	98.39	151,663	9,955,863	99.91
2007	10,883,881	10,555,207	96.98	267,431	10,822,638	99.44
2008	11,281,977	10,884,523	96.48	385,068	11,269,591	99.89
2009	11,568,776	11,180,089	96.64	367,197	11,547,285	99.81
2010	11,475,053	11,199,771	97.60	234,183	11,433,954	99.64
2011	10,715,985	10,481,778	97.81	148,603	10,630,382	99.20
2012	10,655,954	10,521,075	98.73	-	10,521,075	98.73

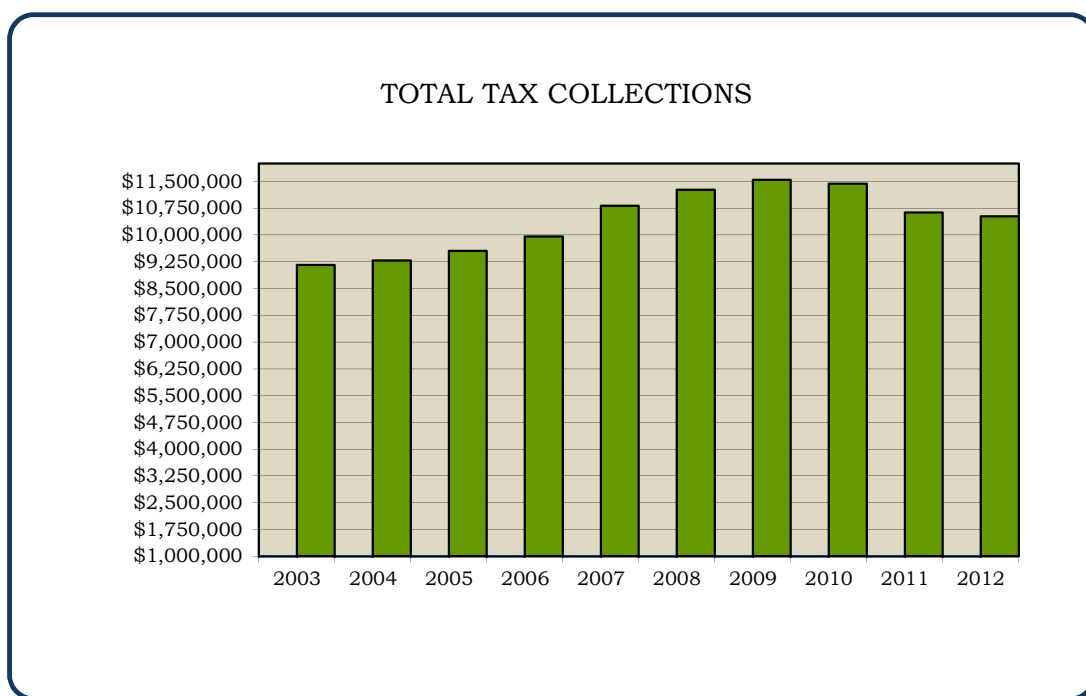


Table 10

City of Camas, Washington
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Government Loans	Revenue Bonds	Government Loans			
2003	\$9,750,000	\$2,791,854	\$4,695,000	\$12,081,159	\$29,318,013	257.71%	\$ 2,065
2004	9,165,000	4,102,419	4,415,000	11,499,322	29,181,741	246.81%	1,900
2005	8,943,000	4,323,679	4,105,000	10,899,778	28,271,457	220.31%	1,829
2006	8,267,000	5,238,225	3,785,000	10,281,758	27,571,983	200.52%	1,736
2007	7,554,000	4,751,501	8,860,000	10,429,691	31,595,192	214.45%	1,941
2008	6,820,000	4,571,022	8,410,000	9,894,347	29,695,369	191.33%	1,778
2009	6,104,000	4,438,020	7,880,000	9,280,637	27,702,657	183.08%	1,634
2010	5,422,000	3,867,928	7,325,000	16,548,966	33,163,894	211.53%	1,927
2011	4,703,000	3,293,437	6,750,000	20,578,261	35,324,698	Not available	1,800
2012	4,253,000	3,545,033	6,150,000	21,584,481	35,532,514	Not available	1,775

The City implemented GASB 44 in 2006 and has reported the information above retroactively from 2003.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See Table 15 for personal income and population data. These ratios were calculated using personal income and population for the calendar year.

Table 11

City of Camas, Washington
 Ratios of General Bonded Debt Outstanding
 Last Ten Fiscal Years

Fiscal Year	Population (1)	Assessed Valuation	Gross Bonded Debt	Less Reserves	Net Bonded Debt	Percentage of Actual Taxable Value of Property	Net Bonded Debt Per Capita
2003	14,200	\$ 2,182,844,192	\$ 9,750,000	\$ 308,627	\$ 9,441,373	0.43	\$ 664.89
2004	15,360	2,204,528,035	9,165,000	58,443	9,106,557	0.41	592.87
2005	15,460	2,287,914,212	8,943,000	64,766	8,878,234	0.39	574.27
2006	15,880	2,567,416,104	8,267,000	56,076	8,210,924	0.32	517.06
2007	16,325	2,989,498,808	7,554,000	30,225	7,523,775	0.25	460.87
2008	16,700	3,250,358,389	6,820,000	18,884	6,801,116	0.21	407.25
2009	16,950	3,158,585,419	6,104,000	12,736	6,091,264	0.19	359.37
2010	17,210	2,748,150,894	5,422,000	15,225	5,406,775	0.20	314.16
2011	19,620	2,555,385,949	4,703,000	23,444	4,679,556	0.18	238.51
2012	20,020	2,539,499,571	4,253,000	36,753	4,216,247	0.17	210.60

(1) Source: Office of Financial Management, State of Washington

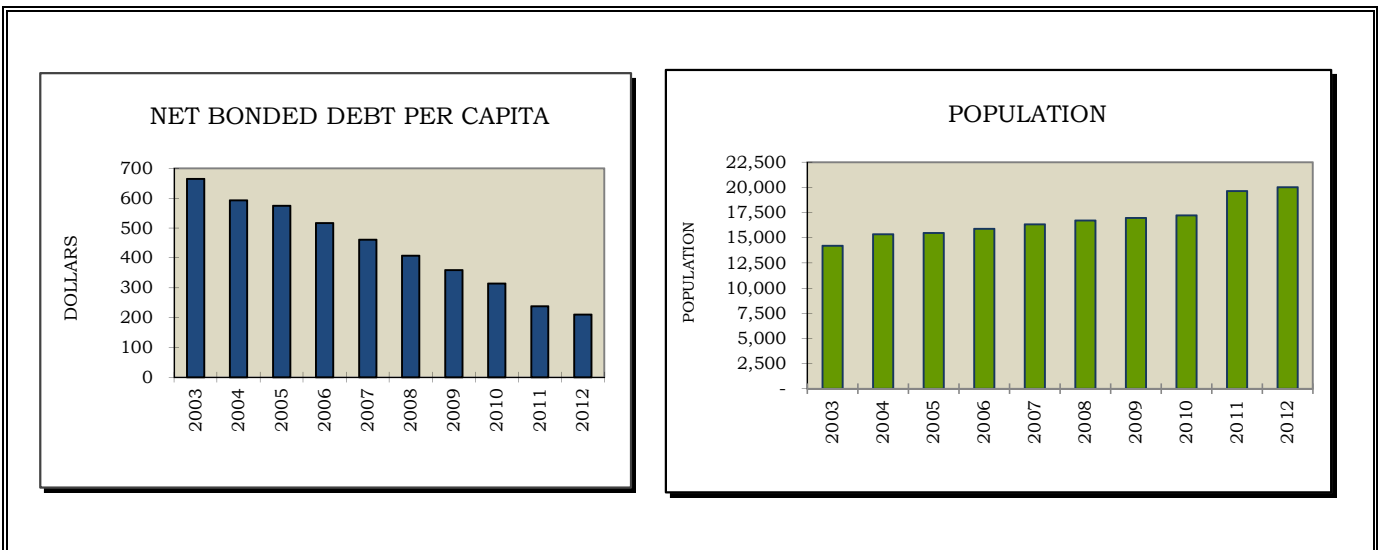


Table 12

City of Camas, Washington
 Direct and Overlapping Governmental Activities Debt
 As of December 31, 2011

Governmental Unit	Debt Outstanding	Estimated Percent Applicable (1)	Estimated Share of Overlapping Debt
City of Camas Direct Debt			\$ 7,798,033
Overlapping Debt:			
Debt repaid with property taxes			
Camas School District	\$ 111,230,000	74.02	\$ 82,329,638
Port of Camas-Washougal	3,805,000	54.95	2,090,804
Clark County	107,474	6.84	7,352
Total Overlapping Debt			84,427,795
Total Direct and Overlapping Debt			\$ 92,225,828

Sources: Assessed value data used to estimate applicable percentages provided by the Clark County Department of Assessment or by each governmental unit. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Camas. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Table 13

City of Camas, Washington
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	General Purpose Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2003	\$ 87,931,873	\$ 13,346,088	\$ 74,585,785	15.18%
2004	91,065,328	14,335,344	76,729,984	15.74%
2005	102,289,214	14,505,884	87,783,330	14.18%
2006	119,162,841	14,766,559	104,396,282	12.39%
2007	129,671,024	13,436,714	116,234,310	10.36%
2008	126,007,998	12,927,822	113,080,176	10.26%
2009	109,986,099	12,196,028	97,790,071	11.09%
2010	101,630,432	10,622,115	91,008,317	10.45%
2011	101,579,983	9,490,240	92,089,743	9.34%
2012	100,852,813	5,889,954	94,962,859	5.84%

Legal Debt Margin Calculation for Fiscal Year 2012

Taxable Assessed value (2011 Assessment for 2012 Revenue)	\$ 2,521,320,324
Debt Limit	
Debt limit with vote (2.5% of assessed value)	63,033,008
Debt applicable to with vote limit:	
General obligation bonds	4,253,000
Less: assets available	<u>45,758</u>
Total debt applicable to limit with vote	<u>4,207,242</u>
Total legal debt margin with vote	<u>\$ 58,825,766</u>
Debt limit without vote (1.5% of assessed value)	
Debt applicable to without vote limit:	
General obligation bonds	-
Other	1,698,684
Less: assets available	<u>15,972</u>
Total net debt applicable to limit without vote	<u>1,682,712</u>
Total legal debt margin without vote	<u>\$ 36,137,093</u>
Legal Debt Margin	<u>\$ 94,962,859</u>

Note: By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Table 14

City of Camas, Washington
 Pledged-Revenue Coverage
 Last Ten Fiscal Years

Water-Sewer Revenue Bonds

Fiscal Year	Gross Revenue (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service (3)		Coverage
				Principal	Interest	
2003	\$ 5,189,850	\$ 3,323,885	\$ 1,865,965	\$ 467,222	\$ 178,943	2.71
2004	5,459,884	3,425,092	2,034,792	441,136	188,420	3.81
2005	5,681,952	3,771,476	1,910,476	450,000	189,318	3.56
2006	6,354,308	4,519,663	1,834,645	459,250	190,824	3.13
2007	6,550,613	4,411,784	2,138,829	466,316	189,921	2.16
2008	6,561,280	5,090,217	1,471,063	467,222	178,943	1.87
2009	7,195,056	4,760,825	2,434,231	463,529	167,841	3.63
2010	8,010,004	4,988,778	3,021,226	457,813	156,793	4.72
2011	8,970,981	5,105,577	3,865,404	450,000	145,781	4.15
2012	9,891,516	4,893,699	4,997,817	439,286	134,931	5.23

The City implemented GASB 44 in 2006 and reports retroactively from 2004.

- (1) Gross revenue is defined as all operating and nonoperating revenues of the Water-Sewer Fund.
- (2) Operating expenses do not include depreciation or amortization.
- (3) Debt service is the average annual debt service

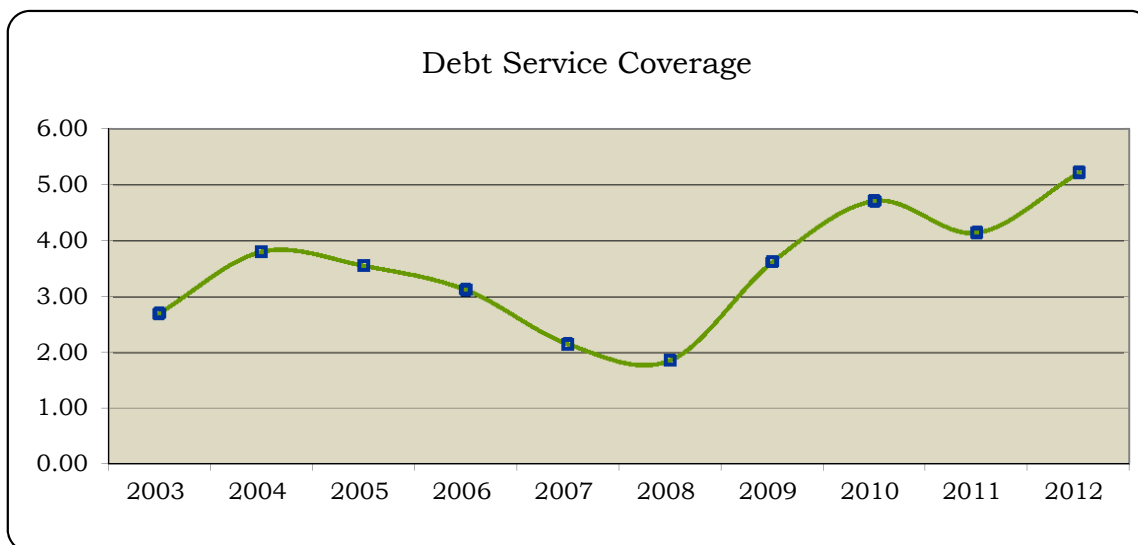


Table 15

City of Camas, Washington
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Income (2)	School Enrollment (3)	Unemployment Rate (4)
2003	14,200	\$ 11,376,159	\$ 30,157	4,720	8.9%
2004	15,360	11,823,627	30,383	4,989	6.3%
2005	15,460	12,832,816	32,118	5,224	5.0%
2006	15,880	13,750,478	33,691	5,449	4.5%
2007	16,280	14,733,160	35,360	5,659	5.4%
2008	16,700	15,520,101	36,547	5,700	10.4%
2009	16,950	15,131,577	35,027	5,813	14.4%
2010	17,210	15,677,813	36,715	5,959	12.7%
2011	19,620	16,337,847	37,695	6,195	8.5%
2012	20,020	not available	not available	6,289	8.4%

Sources: (1) Office of Financial Management, State of Washington
(2) Bureau of Economic Analysis, Department of Commerce (PI and PCI for Clark County)
(3) Camas School District
(4) Washington State Employment Security

Table 16

City of Camas, Washington
Principal Employers
Current Year and Nine Years Ago

Employer	2012			2003		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wafertech	1,000	1	16.4%	unknown		0.0%
Camas School District	750	2	12.3%	unknown		0.0%
Georgia Pacific (Fort James)	507	3	8.3%	unknown		0.0%
Fisher Investments	442	4	7.3%	-		-
Underwriters Laboratories	275	5	4.5%	unknown		0.0%
Sharp Microelectronics	209	6	3.4%	unknown		0.0%
Karcher North America	240	7	3.9%	unknown		0.0%
Linear Technology	290	8	4.8%	unknown		0.0%
City of Camas	175	9	2.9%	162		2.7%
Logitech	96	10	-	unknown		0.0%
	<u>3,984</u>		<u>63.8%</u>	<u>162</u>		<u>2.7%</u>

Sources: (1) Camas Washougal Chamber of Commerce
(2) Washington Employment Security Department
(3) Human Resource Departments of Individual Businesses

Table 17

City of Camas, Washington
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Full-time Equivalent Employees as of December 31, 2012

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Executive	1.50	1.50	1.50	1.50	1.50	1.50	1.45	1.45	1.45	1.45
Finance	7.00	7.00	7.25	8.00	8.00	8.00	7.88	8.00	7.75	7.75
Human Resources	1.00	1.00	1.00	1.00	1.00	1.10	1.15	1.15	1.15	1.15
Other	2.63	2.75	2.75	2.75	3.25	3.25	3.25	4.25	4.35	3.25
Public Safety										
Police	28.96	28.96	29.18	32.48	33.48	33.53	32.35	32.13	31.38	31.45
Fire	38.50	38.50	38.00	38.00	38.75	39.76	45.96	45.50	41.00	41.00
Physical environment	13.00	13.00	13.00	14.75	15.17	14.73	13.40	12.40	12.80	12.80
Transportation	13.13	12.67	12.41	12.49	12.49	12.64	11.79	11.49	10.65	10.60
Economic environment	9.30	8.80	9.62	11.01	11.01	11.01	9.01	9.01	7.30	7.60
Parks and recreation	14.05	14.05	14.51	15.99	17.08	16.86	16.14	16.14	13.59	13.62
Cemetery	-	-	-	-	1.33	1.50	1.25	1.25	1.05	1.30
Library	12.55	12.55	12.55	14.53	16.41	15.91	15.41	15.41	15.10	14.77
Water/Sewer	16.00	16.00	16.53	17.34	17.84	17.84	19.00	19.00	19.25	19.50
Storm water drainage	1.00	1.00	2.33	2.20	2.70	2.80	3.05	4.35	4.50	4.50
Sanitation	3.25	3.25	3.86	4.11	4.11	4.11	4.11	4.11	4.10	4.10
Total	<u>161.87</u>	<u>161.03</u>	<u>164.49</u>	<u>176.15</u>	<u>184.12</u>	<u>184.54</u>	<u>185.20</u>	<u>185.64</u>	<u>175.42</u>	<u>174.84</u>

Source: City budget documents

Table 18

City of Camas, Washington
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Police reports	3,301	3,711	3,186	3,670	4,249	4,023	3,178	3,369	3,313	3,169
Arrests	791	610	610	743	734	861	705	613	737	710
Traffic stops	3,980	3,683	4,867	5,039	7,522	7,107	6,498	7,126	6,535	6,268
Service calls logged	9,303	4,892	4,014	11,056	10,770	13,857	11,402	10,658	9,427	9,619
Fire										
Fire alarms	58	40	89	83	87	85	90	75	91	97
Total fire responses	970	756	1,225 *	1,419	1,491	1,520	1,596	1,363	1,589	1,631
Total EMS responses	2,477	2,485	2,423	2,425	2,533	2,693	2,775	2,774	3,005	3,039
Inspections					500	412	390	627	728	501
Parks and recreation										
Community center visits	27,845	31,191	32,864	34,039	32,177	37,986	34,552	29,456	28,270	31,781
Recreation services participants	12,045	13,250	11,921	13,648	14,508	14,233	12,032	12,169	12,833	12,542
Recreation services events	252	241	256	266	307	304	353	302	318	360
Library										
Registered borrowers	13,050	10,250	10,738	10,461	10,695	11,985	12,844	10,392	11,899	13,272
Total holdings	72,927	82,491	78,791	90,319	98,709	90,895	97,647	88,872	92,133	104,660
Library visits	143,992	152,290	202,078	225,466	234,816	249,185	289,188	284,576	260,694	252,289
Water										
Water residential connections	5,825	6,043	6,329	6,555	6,656	6,643	6,699	6,857	6,934	7,067
Water non-residential connections	394	413	429	433	466	493	482	450	474	498
New connections	277	213	318	168	101	14	56	126	101	157
Average daily consumption (gallons)	4,135,650	4,342,588	3,579,024	4,153,269	3,765,626	3,708,451	3,705,137	3,423,876	3,563,159	3,651,346
Sewer										
Average daily sewage treatment (gallons)	1,879,083	2,098,000	2,292,000	2,553,000	2,396,164	2,254,794	2,228,250	2,518,000	2,516,000	2,748,000
Sewer residential connections	4,150	4,748	5,438	6,217	6,335	6,367	6,458	6,599	6,735	6,827
Sewer non-residential connections	221	227	243	248	250	246	246	246	246	242
Sanitation										
Refuse collected (tons)	6,389	6,990	7,192	7,179	7,114	6,854	6,560	6,334	6,311	6,267
Recycling collected (tons)	1,700	1,850	1,756	1,768	1,831	1,859	1,781	2,374	2,331	2,468
Sanitation customers	4,032	4,629	5,266	5,975	6,026	6,159	6,225	6,433	6,540	6,649

Source: Various City departments

Note: Indicators are not available for general government function

* Implemented new software, which resulted in greater accuracy in tracking engine/truck activity

Table 19

City of Camas, Washington
Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Function										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	6	7	8	8	8	8	8	8
Fire										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	4	4	4	4	4	4	4	4	4	4
Ambulances	4	4	4	4	4	4	4	4	4	4
Parks and recreation										
Parks acreage	110.6	110.6	110.6	110.6	143.1	143.1	143.1	143.1	197.9	197.9
Parks	10	10	11	12	12	12	12	13	14	14
Swimming pools	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1
Skate parks	1	1	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	129.0	129.5	134.7	135.5	136.3	137.5	137.5	137.7	138.65	139.99
Sewer										
Sanitary sewers (miles)	94.8	97.0	99.5	100.3	101.1	101.2	101.2	101.3	102.1	103.1
Storm sewers (miles)	48.7	49.1	51.1	53.4	55.7	55.8	55.8	56.1	56.6	56.6
Treatment plants	1	1	1	1	1	1	1	1	1	1
Capacity (gallons per day)	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000	6,100,000
Sanitation										
Collection trucks	3	3	4	4	4	4	4	4	4	4
City Streets										
Paved streets (miles)	87.7	88.2	93.8	97	99.8	105.1	105.1	105.1	105.5	105.6
Unpaved streets (miles)	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.3

Source: Various City departments

Note: No capital asset indicators are available for the general government or library function

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